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Submission to the Alberta Royal Commission  
on the Metropolitan Development 1



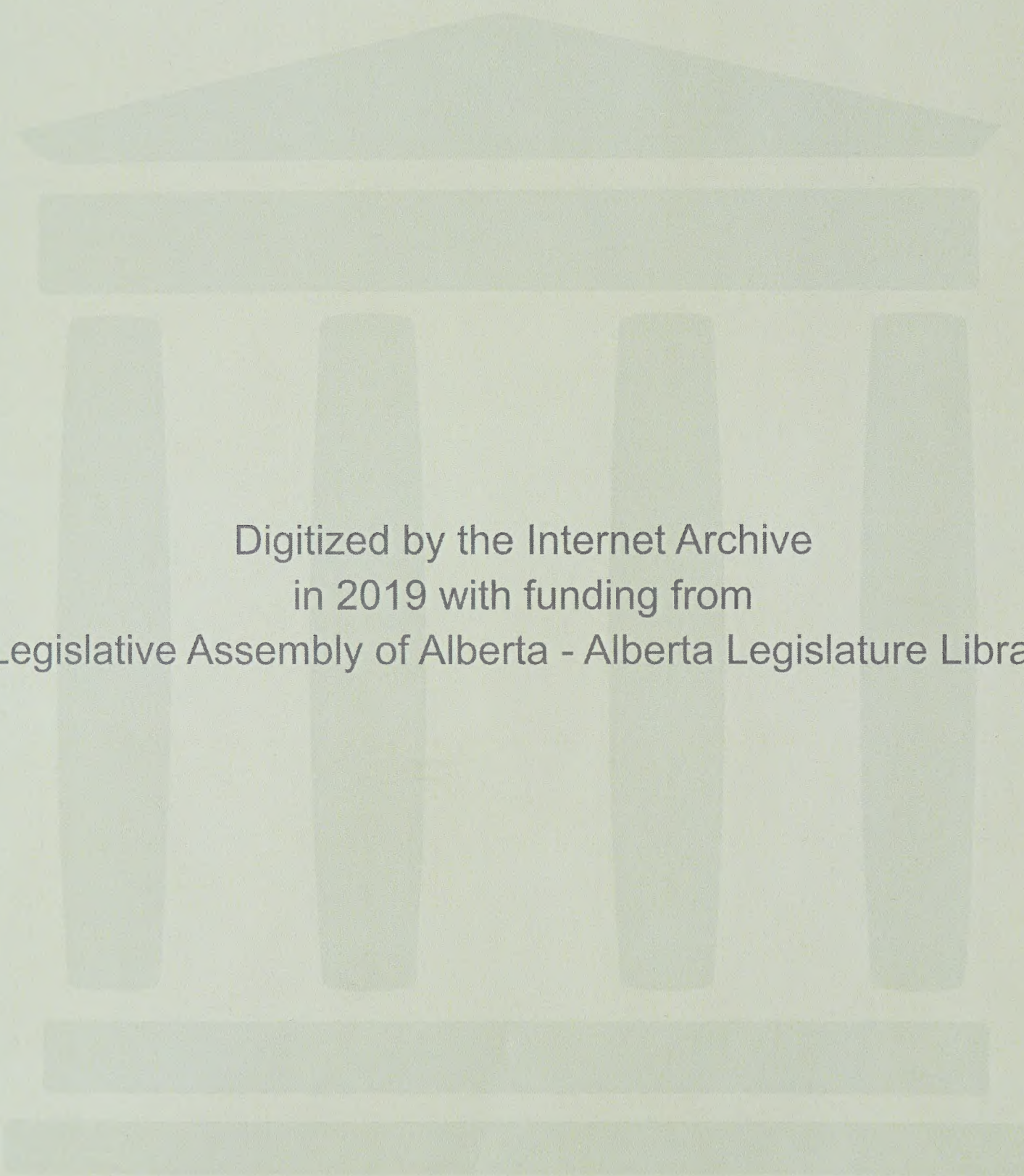
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FINAL STATEMENT  
on behalf of  
THE CITY OF EDMONTON  
to  
ROYAL COMMISSION ON  
METROPOLITAN ORGANIZATION

APRIL, 1955

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THE CITY OF EDMONTON

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April 20, 1955.

Royal Commission on Metropolitan Organization,  
EDMONTON, Alberta.

Dear Sirs:

Re: 1955 Budgets

The Final Statement on behalf of the City of Edmonton is formally submitted herewith. In submitting this document to you we wish to draw your attention to the manner in which its conclusions have been affected by the 1955 Budget of the Province of Alberta and the 1955 Budgets of the various Municipal and School Corporations in the Edmonton area.

This Final Statement at page 69 deals briefly with the 1955 Provincial Budget and expresses the appreciation of the City of Edmonton for the assistance given in that Budget. Unfortunately, it was not possible to work through all the changes in the 1955 Budget in time to include the results in the Statement. The changes were, however, of considerable importance and have now been reflected in important changes in Municipal and School Budgets for 1955. It, therefore, seems advisable that more adequate comment should be made at this time.

The 1955 Provincial Budget introduced a new provincial grant to school districts to cover the difference between the proceeds of a levy of 25 mills and the proceeds of the 1954 levy but made the grant payable only if the school district concerned reduced its 1955 levy to 25 mills or less. A table at page 9 of the Final Statement gives the school mill rates for 1954 and earlier years and it is obvious from that table that this new grant materially reduces the mill rate for school purposes in Edmonton, Beverly and Jasper Place. This significantly reduces the inequality in tax rates between Strathcona and the other municipalities of the area but still leaves a very wide advantage in favour of Strathcona tax payers as compared to tax payers in the other municipalities. It, of course, makes no change in the uneven distribution of assessments per capita and it does nothing to reverse the trend of growth of assessments per capita as shown by the table on page 7 of the Final Statement.

In addition to the grant referred to above there were other changes in municipal and school grants and there have been changes in the pattern of municipal and school spending. All these changes are reflected in the 1955 estimates of the City of Edmonton and in the rate of 48 mills established for 1955. This is a reduction of 5 mills below the figure established by the 1954 Budget and used as the basis for the various financial comparisons in

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The Royal Commission on Metropolitan  
Organization

April 20, 1955.

the Exhibits submitted to you and in the Final Statement submitted herewith.

Beginning at page 33 of the Final Statement there appears to section entitled "Financial Position of an Enlarged City". The conclusion drawn from that discussion appears in the first paragraph on page 42 which reads as follows:

"The conclusion to be drawn from this pro-forma budget appears, therefore, to be that the proposed enlarged area will be approximately self-supporting. The present City of Edmonton will not be called upon to subsidize it, neither will the present City of Edmonton draw any financial gain from it unless future industrial growth brings added business assessments which are more than enough to cover the deficit on residential growth."

This analysis was based upon the assumption that revenue sources and expenditure patterns of 1953 and 1954 would be continued. The new grant payments and the new pattern of expenditures has resulted in a reduction of 5 mills. If, therefore, those grants are taken into account in the calculation of future budgets, a similar reduction of 5 mills is involved. The conclusion, therefore, must be that the proposed enlarged area will on the new grant formulas be approximately self-supporting on the basis of 48 mills rather than 53 mills.

The same point might be stated in the following terms. Exhibit 171E and the discussion arising from it established that revenues from Jasper Place, Beverly and the industrial area of Strathcona will be about equal to expenditures in those same areas. Consequently, if the revenue sources and expenditure patterns reflected in the 1955 City of Edmonton rate of 48 mills are continued then the proposed enlarged city would be approximately self-supporting at the same rate of 48 mills.

This difference between 53 mills and 48 mills is very important in assessing the effect on tax payers in Strathcona if the proposed enlarged boundaries should be put in effect. This point is discussed at page 53 of the Final Statement but on the basis of 53 mills. If the figure of 48 mills is substituted the paragraph would read as follows:

"48 mills applied to an assessment of \$20 million would represent a tax of \$960,000 which is the equivalent of 32 mills on \$30 million of assessment. The mill rate in Strathcona in 1954 was 25, in 1953 it was 34. In other words, the tax levy would apparently be up about 28% over the 1954 level but would be down about 6% from the 1953 level."

In conclusion we wish to draw attention to one typographical error at the bottom of page 43 where there is a reference to "Transcript at page 20". The reference should be to page 4611.

Yours truly,

REM:OB

Robert E. Moffat.

Enc.



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APRIL, 1955

SUBMITTED BY

ROBERT E. MOFFAT, M.A. LL.B  
ECONOMIC and FINANCIAL CONSULTANT



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## C O N T E N T S

of Presentation of October 12, 1954.

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## FINAL STATEMENT ON BEHALF OF

### THE CITY OF EDMONTON.

In presenting this final statement on behalf of The City of Edmonton, it is not the intention to repeat the material contained in the first presentation dated October 12th 1954. Nevertheless much of the material contained in that document is of such fundamental importance that repetition cannot be completely avoided. For the sake of convenience, however, a complete copy of the first presentation is attached as an appendix to this document.

#### Basic Approach.

Nothing has occurred in the extended hearings before your Commission which changes the basic approach of the City. The City still favours the creation of a new municipal council, a new Public School Board and a new Separate School Board, each to have authority over the whole of the metropolitan area and to replace all existing elected local government bodies in the area.

As to the area which should be included in the jurisdiction of these three bodies the City still favours fairly wide limits which would fall well beyond the industrial plants on the eastern outskirts and well beyond the present built-up areas in each direction. Furthermore the City still feels that any restricted or piece-meal approach would not provide adequate scope for future growth on a balanced basis and would be certain to lead to a repetition of the present difficulties in a relatively short time.

It will be recognized that this statement of the basic approach is merely a repetition of the first 3 points in the conclusion at page 23 of the presentation of October 12. This final statement will be much more precise in defining exact proposals to implement this basic approach but before that is done, it may be well to re-state certain of the background history and growth of the area.

#### Background History and Growth

This subject was dealt with at some length in the earlier statement.



The main points deserve particular emphasis however.

The Edmonton area contains one person out of every five in the whole of the Province of Alberta. In the 3 years from 1951 to 1954 the population growth was as follows:

|                 | <u>Edmonton City</u> | <u>Jasper Place</u> | <u>Beverly</u> | <u>Total</u> |
|-----------------|----------------------|---------------------|----------------|--------------|
| 1951 population | 158,709              | 9,139               | 2,159          | 170,007      |
| 1954 population | 197,836              | 13,307              | 3,548          | 214,691      |
| Increase        | 39,127               | 4,168               | 1,389          | 44,684       |
| % Increase      | 25%                  | 46%                 | 64%            | 26%          |

It is clear from these figures that the population growth has been amounting to almost 15,000 persons per year. Furthermore, there is no indication that this rate of population growth has slowed down significantly.

Another feature which is important is that the growth of Jasper Place and Beverly has been more rapid than in the City of Edmonton. This is a fairly recent phenomenon representing a situation in which land for residential building within the City is being rapidly used up.

No precise figures are available concerning population growth in the areas to the south and east of the City but Exhibit 112E gives the number of children of school age or younger in the greenbelt and industrial areas of Strathcona as 640. This would indicate a total population of the area of about 1850 persons. The representative of Strathcona Municipal District has suggested a slightly lower figure.

#### Available Land

Exhibit 119E contains a map which shows the growth of the built-up area of the City in recent years. It is clear from that map that the time is rapidly approaching when within the present City limits there will be no further room for new residential construction. Exhibit 121E reports a reserve of only 1171 acres of unallocated residential land within the City at December 31, 1954. The date at which this will be fully occupied is



indicated by the fact that about 700 acres represents one years program of new construction in recent years. If one assumes that only the land now vacant and zoned residential is to be available it is clear that it will be fully allocated by 1957 although actual construction may not be completed for another year or two. The date could be delayed several years, however, if it is decided to rezone certain areas which are now classified for other purposes. But these areas are, in the main less desirable as residential areas than certain areas now outside the City limits and it therefore seems certain that new residential construction will seek to locate in the adjoining municipalities. It is clear, therefore, that within the next two or three years it will be necessary either to rezone as residential certain areas within the present City limits which are less desirable for that purpose or to arrange for rapid provision of sewer, water, school, road and other municipal facilities in areas now lying outside the City limits. Exhibit 176E covers all available building lots within the present City limits, both in desirable and in less desirable locations and indicates that they would be fully used up if the present rate of building continued for 5 years.

The difficulties of Jasper Place and Beverly have been amply demonstrated in their attempts to deal with their present populations of young families. If they should be suddenly faced with a demand that they absorb a substantial part of the total population growth of the region their troubles would be magnified several fold.

Exhibit 162E gives data supplied by Central Mortgage and Housing Corporation for the number of dwellings started and completed in various cities since 1947. The figures for the Edmonton Metropolitan area are:

|      | <u>Starts</u> | <u>Completions</u> |
|------|---------------|--------------------|
| 1947 | 1,458         | 1,758              |
| 1948 | 2,365         | 1,784              |
| 1949 | 2,749         | 2,361              |



|                          | <u>Starts</u> | <u>Completions</u> (continued) |
|--------------------------|---------------|--------------------------------|
| 1950                     | 3,132         | 2,776                          |
| 1951                     | 2,208         | 2,464                          |
| 1952                     | 3,019         | 2,864                          |
| 1953                     | 4,377         | 3,701                          |
| 1954                     | 4,048         | 3,881                          |
| Average for 8 years      | 2,919         | 2,699                          |
| Average for last 3 years | 3,815         | 3,482                          |

In relation to this situation the brief presented on behalf of the Edmonton House Builders' Association Exhibit 173E remarks:

"It should be noted that the City figures include a large number of scattered lots that cannot be used for an efficient economical project type of operation. Already the competitive search for satisfactory serviced land has been expensive in time and money and has resulted in yearly increases in raw land prices - increases which are reflected in the increased sale prices being asked for houses.

Much of the land now left is second-rate by reason of location and other factors. To depend completely on this type of land will mean increased buyer resistance and increased resistance by lending institutions, with a consequent danger of retarding the volume of construction.

The prospect of the additions of the towns of Jasper Place and Beverly, by themselves, does not offer a complete solution of the problem. By reason of location and early planning deficiencies, much of the land in these areas is not of the best. Some of the best potential areas for medium class housing are presently in the M.D. of Strathcona.

Our builder members are completely impartial as to whether they must deal with the City of Edmonton or the M.D. of Strathcona for their supply of land. However, the organization required to plan, service, administer and properly control housing developments of the order of three thousand (3,000) or more houses per year is a sizeable one, and we question the



ability of anyone to put together and have operating at full efficiency, such an organization in the short period of two years. The City of Edmonton already has such an organization but the M.D. of Strathcona has not. We wish to emphasize the danger of anything which may slow, possibly only temporarily, the tempo of housing construction."

Outlook for Total Population.

Exhibit 118E sets forth some of the main features of the population growth of the area and points out the extent of which the newcomers are concentrated in the very youngest age groups and in young adults who are just establishing themselves as new families. This exhibit makes it clear that even if no further immigration to the region occurs, the mere growing older of the present population and its children will expand very greatly the adult population and consequently the requirements of the area in respect to housing and municipal services related to housing. The main point of this memorandum is expressed in the following sentence from page 6 "..... already living in this city are children of the numbers which correspond to a city of 300,000 and nothing except time is required for them to grow to maturity and become an adult population for a city of that size."

This then is the foundation upon which any further population inflow will be built. Consequently if, for Canada as a whole, it is anticipated that population will continue to grow in the larger cities the Edmonton area must make plans corresponding to growth beyond 300,000 and not plans based upon growth beyond its present figure of about 225,000.

Any extra increase in the population of Edmonton due to a continuation of the movement of new families into the region would, of course, be in addition to both of these factors. The history of the post-war period makes it impossible to believe that population inflow will stop so that this region will drop back to the rate of growth which corresponds to the Canadian average plus the effect of the age distribution. Some net additional increase



is bound to occur but no firm estimate can be made.

Exhibit 120E at page 7 shows the population trend of Metropolitan Edmonton on the basis of projecting the growth trend since 1941 and if that should continue the total would go over 375,000 by 1972. The same table also projects the growth trend of the recent past ie. 7.6% per year and if that should continue the total would go beyond 375,000 by 1962.

Exhibit 17E prepared in 1951 deals with the outlook as at that date and at page 23 it shows an anticipated figure of 211,000 by 1961. This illustrates very clearly the danger that what appears to be a very optimistic forecast may in fact turn out to be far below the actual record.

This then is the history and outlook in respect to population growth. It is clear that it points to a continuation of very rapid increases in population which will quickly carry the total population of the area far beyond the numbers which can be comfortably and efficiently accommodated within the present city limits. One is forced to think in terms of accommodating another 100,000 people in this area in the very near future. Clearly the majority of these will settle outside the present boundaries of Edmonton City.

In recent years the growth within the City has been divided about equally between the North side and the South side. Exhibit 154E gives the details and it shows that for the 5 years ending in 1954 the increases were North side 30,882 and South side 29,485. If this pattern of growth should continue it would indicate a very rapid overflow into the adjacent sections of Strathcona. Furthermore, evidence at pages 3671 and 3902 and 3905 of Transcript indicate that some of the most desirable lands for future residential growth are in areas which are now part of Strathcona Municipal District.

#### Financial Imbalance.

One other aspect of growth and development requires careful analysis.



This is the manner in which the assessment base for municipal taxes has become increasingly unequal. At page 6 of the presentation of October 12th, a table was included to show assessments per capita in 1953. The average over the whole area was approximately \$1,000 per capita and this figure was relatively close to the actual figure for Edmonton, Sturgeon, Morinville and Stony Plain. In the case of Jasper Place and Beverly, however, the assessment figures were far below that level while in Strathcona the figure was over \$3,000 per capita.

These figures are dramatic as they stand but the trend over the past few years is even more informative. No very sharp changes have occurred in Stony Plain, Sturgeon and Morinville and consequently those three are omitted from the following tabulation. For the other 4 municipalities however, the figures are as follows:

|      | <u>Assessments per Capita</u>    |                                 |                                       |                                              |
|------|----------------------------------|---------------------------------|---------------------------------------|----------------------------------------------|
|      | <u>Edmonton</u><br><u>Ex.11E</u> | <u>Beverly</u><br><u>Ex.99E</u> | <u>Jasper Place</u><br><u>Ex. 92E</u> | <u>Strathcona</u><br><u>Ex.155E and 187E</u> |
| 1951 | 850                              | 490                             | 480                                   | 2220                                         |
| 1952 | 1060                             | 720                             | 490                                   | 2825                                         |
| 1953 | 990                              | 630                             | 510                                   | 2725                                         |
| 1954 | 1000                             | 650                             | 540                                   | 4570                                         |

It will be noted that these figures do not correspond exactly to those quoted in the presentation of October 12th. The reason being that the above figures have been calculated from the exhibits filed by each municipality while the earlier figures were taken from the reports of the Department of Municipal Affairs. The main difference is a higher population figure for Strathcona.

These figures speak for themselves. Jasper Place and Beverly as they become increasingly heavily residential are making no gains in their assessment per capita except by reassessing at a higher level. Assessments per capita are rising at a rapid rate in Strathcona, and are holding about even in Edmonton. Even allowing for some difference in the level of assessment for the large new industries it is clear that Strathcona has



available revenues from assessments that are over 4 times as large per capita as in the rest of the area.

Another approach to this same question is to consider the data for building permits issued. The information for the City appears in Exhibit 201E and when combined with the information in Exhibit 28E with respect to industrial and residential assessments it shows the following results for Edmonton City:

|                       | <u>Residential</u>     | <u>Commercial</u>     | <u>Miscellaneous<br/>and mixed</u> |
|-----------------------|------------------------|-----------------------|------------------------------------|
| 1954 Assessments<br>% | \$112,285,000<br>56.5% | \$65,868,000<br>33.1% | \$20,622,000<br>10.4%              |
| Permits issued - 1953 | \$ 33,707,000          | \$12,805,000          |                                    |
| Permits issued - 1954 | \$ 34,563,000          | \$13,617,000          |                                    |

It is clear that new construction in Edmonton is running very heavily to residential property and that the proportion of residential is much greater in new construction than in existing assessments.

The opposite aspect of this same situation is shown by pages 13 and 14 of Exhibit 13E which shows major industrial construction work in progress during the summer of 1954. It shows within the city limits \$5,600,000 worth of such work in progress as contrasted to \$21,000,000 worth of such work in progress in Strathcona adjacent to the City. This does not include industrial construction elsewhere in Strathcona.

These changes in assessments combined with rapid increases in the costs of various school and municipal services have produced very sharp changes in mill rates in the last few years. The total overall mill rates including school, municipal and hospital purposes have been as follows:



|      | <u>Edmonton</u><br><u>Ex. 11E</u> | <u>Beverly</u><br><u>Ex. 99E</u> | <u>Jasper Place</u><br><u>Ex. 92E</u> | <u>Strathcona</u><br><u>Ex. 57E</u> |
|------|-----------------------------------|----------------------------------|---------------------------------------|-------------------------------------|
| 1950 | 49.5                              | 53                               | 68                                    | 43                                  |
| 1951 | 56.0                              | 77                               | 53                                    | 34                                  |
| 1952 | 52.5                              | 50                               | 49                                    | 34                                  |
| 1953 | 52.5                              | 55                               | 55                                    | 34                                  |
| 1954 | 53                                | 53                               | 54.5                                  | 25                                  |

For school purposes only the mill rates have been:

|      | <u>Edmonton</u> | <u>Beverly</u> | <u>Jasper Place</u> | <u>Strathcona</u> |
|------|-----------------|----------------|---------------------|-------------------|
| 1950 | 31.0            | 30.5           | 42                  | 22                |
| 1951 | 33.125          | 49             | 27                  | 21                |
| 1952 | 29.18           | 22.5           | 30                  | 21                |
| 1953 | 31.65           | 30             | 38                  | 22                |
| 1954 | 31.65           | 33             | 42                  | 12.5              |

The mill rates for a number of surrounding municipal districts are shown in Exhibit 82E for the years 1952 and 1953. The lowest mill rates in the surrounding area appear to be those of Sturgeon at 47.2 in 1953 and 45.1 in 1952.

#### The Region as a whole

If one looks upon the region within approximately 10 miles of downtown Edmonton one cannot avoid the strong impression that this is one of the great industrial centres of North America based as it is upon a rapidly growing population with fully modern living accommodation and urban facilities located at the centre of a fine agricultural region and in close proximity to oil and gas reserves, to excellent railway facilities and to a first-class supply of water.

These are the essentials of a large city based on agriculture and a petroleum and chemical industry. When it is in addition the provincial capital and the communication centre for a rapidly developing north country it is impossible to believe there will be no substantial further expansion in the future.

The question before your Commission then, is to consider the structure of local government in this region which will best provide local services to



the residents and industries of the region both those now here and those who will be here in 20 or 25 years. In that consideration you must of course, take into account the well being and the wishes of the residents of one or another local segment of the region. But no one would suggest that a scheme which is clearly advantageous for the 225,000 persons now in the area, or the 350,000 people who are likely to be in the area, should be held up merely because it is opposed by a few thousand people residing in one part of the region. For example, no one would suggest that any change should be held up unless it secures the approval of the residents of Garneau or of the Highlands if it was clear that for the region as a whole the proposal was both acceptable and advantageous. This is fundamental to matters of this type, for the desire to have the maximum degree of democratic support for any change must not be carried to the point where it gives to one relatively small group a veto over a change which is in the interest of the whole. This point applies whether the group who wish to have a veto live within the boundaries of a present municipality or within boundaries which are less clearly defined.

The City of Edmonton has benefitted greatly from the industrial growth in Strathcona and the residential growth in Beverly, Bonnie Doon, Jasper Place and Westmount. But certain of the costs resulting from this growth have been unequally divided while certain of the revenues resulting from the growth have been unequally divided in a different manner. The result is that the region as a whole has benefitted greatly and all the parts have benefitted also, but certain parts have incurred liabilities which are onerous and which they feel should be spread over the whole region on a more equitable basis.

This uneven distribution of benefits and liabilities is particularly noticeable in the case of the municipal corporations as distinguished from the persons and industries located in the various parts of the region.



Jasper Place and Beverly have been called upon to provide large expenditures for new school facilities, new streets and sidewalks and for sewer and water facilities but have received practically no additional revenue from taxes upon industry. Strathcona has received about \$30,000,000 of new industrial assessment which yields \$750,000 per year at present mill rates and would yield over \$1,500,000 per year at the average mill rate of the region and yet has been called upon to provide in the industrial area very little in the way of new facilities other than water which is self-sustaining. The City of Edmonton has gained substantially in assessments although this has been mainly in the residential category but has also had very large liabilities for new schools, roads, sewers etc.

It should be repeated again that this does not mean that any part of the area is worse off because of developments in the last few years. It merely means that some parts of the area have had a disproportionate share of the benefits. It is most important therefore, that in attempting to bring about a more equitable distribution of the costs and benefits of this growth, nothing should be done which will delay the growth itself. On the other hand, there is a real danger that if the present situation is allowed to develop without alteration the result may force one or more of the existing municipal corporations to take measures which may seriously disrupt the growth of the whole region.

In dealing with this aspect of the situation the October 12th presentation at page 5 expressed the attitude of the City of Edmonton as follows:

".... they consider that the first principle which should guide your deliberations is that you should seek an organization which will produce equality of treatment for all persons and all businesses in the area. In particular, they feel that all persons in the area should have an equal voice in the government of the area that the standards of public



services available to the residents of the area should be, so far as possible, equal in all parts of the area and that all persons and businesses in the area should be expected to bear an equal share of the cost of local government services.

But equality in the above sense could be achieved by means which have a restricting and deadening effect on the future growth of the area. The City is particularly anxious that this should not occur and consequently they strongly urge that you should adopt a plan which will conform with the principle of equality but which will also contain room for flexibility and future growth both in population and in commercial areas and in industrial areas. They feel that provision for a balanced growth within the new boundaries is essential if any reorganization is to be successful."

#### Attitudes expressed to the Commission

In the Order-in-Council which gives the terms of reference of your Commission the first item specifically mentioned is that you are asked: "to recommend the boundaries and the form of local government which will most adequately and equitably provide for the orderly development of school and municipal services."

Each person or group appearing before you has either directly or indirectly, advocated the course which should be followed in this regard.

The City has been quite specific. They favor one municipal council, one public school board and one separate school board responsible for the whole area and elected on a basis which gives equal voting rights to all residents of the area. (ex. 1E p.3, Ex. 2E, p.12)

Jasper Place has also been quite specific. They favour the city proposal with a proviso that at least two members of the new city council should be residents of the area now included in Jasper Place. (Ex. 92E, p.8).

Beverly takes essentially the same position except that they wish to



retain "local self-government" to the greatest extent possible. (Ex. 99E, p.2). When questioned as to their wishes in that regard however, their real request seemed to be that at least one member of the new council should be a resident of Beverly. (Transcript p. 1689).

The large chemical plants each presented lengthy briefs which argued elaborately and powerfully for a lower level of municipal taxation on plants of that type. Each of them specifically denied any wish to receive preferred treatment which was not available to similar plants elsewhere in the province. The position of all of them seemed to be summarized in the statement by Mr. Goldenberg on behalf of Canadian Chemicals when he said: (Transcript p. 1177).

"I am authorized to say that this company does not want to stand in the way of any re-organization in this area which will result in better or more efficient school or municipal services. It wants to stress the fact that it feels that the tax load which it is now asked to bear is unduly high and it would certainly not be able to support or to approve any change in organization of the area which would intensify that problem and it therefore submits that if any change is made we must make certain or this commission should recommend, I respectfully suggest, the changes which we have recommended in our brief, but I do want to say this, that this company does not want it said that it stands in the way of any development which is in the best interest or which the Commission may decide to be in the best interest of this area, but it does not want its problems intensified....."

When questioned further as to the implementation of the proposed changes in assessment procedure which had been advocated in the brief, Mr. Goldenberg at page 1179 agreed that there was no suggestion that something special should be done for plants in any one municipality. His comment was: "It would clearly have to be on a province wide basis".



Support for the general proposition that one council responsible for the whole area would be a desirable approach has been expressed to you in the briefs presented on behalf of:

The Edmonton Region Branch of the Community Planning Association of Canada;

The Executive Committee of the Taxpayers Association of the Town of Jasper Place;

The Jasper Place Chamber of Commerce;

The Labor Progressive Party;

The Alberta Association of Architects;

The Edmonton Council of Social Agencies;

Several of these briefs have suggested variations from the basic approach presented on behalf of Edmonton City, but all have agreed on the fundamental point of "one council for the area".

Another group of briefs have dealt with school problems as distinct from the problems of municipal taxation and assessments. The proposition that it would be desirable to have one Public School Board and one Separate School Board for the area has been strongly endorsed by:

The Edmonton Public School District;

The Edmonton Separate School District;

The School District of West Jasper Place;

The Beverly School District.

The only qualification to this support has been the prudent warning that the proposed amalgamation will not be practical if it is not set up over a region which will provide sufficient revenue to meet the new costs involved. The Town of Beverly also included in its brief a suggestion that if overall amalgamation could not be achieved then Beverly School District might be amalgamated with Cloverbar.

It will be noted at once that support for amalgamation on both a municipal and school district basis has been very widely based. No other



alternative has been seriously advocated although Strathcona supported the idea of amalgamating Beverly School District and Cloverbar.

The position taken by Strathcona at the outset of the hearings could be summarised in the words "Leave us alone". Exhibit 33E which was the first statement submitted on behalf of Strathcona states:

"The Council of the Municipal District of Strathcona is of the opinion that the existing boundaries of the local government units, within the metropolitan areas described in the notice establishing the Commission, are satisfactory and require no major amendment".

It is significant that the attitude of Strathcona changed quite sharply after the material presented at the first hearing had been considered and exhibit 76E presented to the second hearing devoted a good deal of attention to the financial problem of the urban units and to the planning problem inherent in an attempt to anticipate growth in the area and direct it into "desirable" channels. This was followed by a lengthy criticism of what was termed the Edmonton proposal and then by a section entitled "An Alternative Proposal". This exhibit was subsequently withdrawn and it is therefore not necessary to review it at this time but the significant point is that it explicitly recognized that the area must be looked at as a whole and that it is not possible to leave present administrative arrangements to continue indefinitely in their present direction of development.

Exhibit 155E was presented to your third hearing to replace Exhibit 76E. In that exhibit Strathcona analyzes at great length various subjects which have been raised before your commission, the impact of industrial development upon the Municipal District of Strathcona, the impact of the Strathcona industrial growth upon Edmonton, Jasper Place and Beverly. It then deals with the impact of oil developments on city finances, with the need of the city for "elbow room" for further growth and with the extent to which some of the municipalities serve as "dormitory" areas for



industries located in other municipalities. Attention is then directed to the Financial Problems of Edmonton, Jasper Place and Beverly and to the assessment imbalance which exists and to the unequal standard of services and costs in urban and rural areas. In other words, this exhibit gives full recognition to the need for a complete reconsideration of the form and organization of local government in the whole area. It then concludes by rejecting the proposal for amalgamation of the whole and proposes instead that Beverly should become part of the new school division which results from the break-up of Cloverbar. It is not proposed, at this point, to deal with that suggestion. The point to be made is that Strathcona like all other parts of the area explicitly recognized the need for review of the situation and offered constructive suggestions in respect to it.

Cloverbar School Division first appeared before your Commission as a large division covering Strathcona and Fort Saskatchewan plus M.D. of Leduc, Town of Leduc, and a number of smaller areas. It was however, divided into two parts as of January 1, 1955, by the Co-terminus Boundary Commission. The position taken by the Division was that it wished to be left to carry forward its plans for the education of children in Strathcona, Fort Saskatchewan, Leduc M.D., Leduc Town and the smaller areas within its boundaries. Its argument was that the tax revenue from the Strathcona industries would make possible a first class standard of education in this division and that nothing should be done to deprive these children of the opportunity so afforded. Under the new boundaries established by the Co-terminus Boundary Commission the situation will be quite different. A new school division is created consisting of Strathcona and Fort Saskatchewan alone and that division will have available some \$42,000,000 of assessment in its first year of operation. At a school mill rate of 30 which would be lower than Edmonton, Jasper Place or Beverly this would yield \$1,260,000 per year of revenue to be added to provincial grants.



The number of children in the new division do not exceed 2,100 so that revenue amounting to \$600.00 per student would be available from requisitions of only 30 mills. Exhibit 89E shows revenue per student from requisitions in 1953 and shows that Jasper Place and Beverly operated on requisitions of \$76 per student and \$69 per student respectively. The highest figure was \$230 per student in Cloverbar. At page 1840 of the transcript it was made clear a levy of 30 mills in the new district would allow it to operate and in one year pay for the entire construction program which it has laid out for itself. Figures such as these make it clear that the assessment base of the new school division will be far out of line with any other school division and that some re-organization is absolutely essential.

As to the nature of the re-organization which might be considered the brief submitted by Cloverbar School Division as Exhibit 106E states at page 6:

"The Board of the Cloverbar School Division feels that the Edmonton Metropolitan Area is something more than the highly urbanized area of Edmonton City, West Jasper Place and Beverly, with a narrow fringe of rural and semi-rural communities within a radius of twenty to twenty-five miles of the City. The community of interests binding the local governments within this larger district have created a metropolitan community whether or not there is legal recognition of its existence".

This is clear and explicit recognition that the region must be looked at as a whole and that no part of the area can be treated as falling outside the limit of possible re-organization. The question of defining the limits of the area will be dealt with as the next section in this statement, but for immediate purposes the significant point is that the Cloverbar brief even before that Division was split by the Co-terminus Boundary Commission, explicitly advocated an area approach and enumerated a considerable list of



community interests which bind the local governments into a metropolitan community.

It is neither possible nor desirable to summarize the position taken in all the briefs presented to you. But the preceding material makes it clear that there is unanimous recognition that the trend of present development cannot be allowed to continue indefinitely. There is an almost unanimous agreement that the most fruitful line of discussion is that which looks toward a single defined area managed by one council, one Public School Board, and one Separate School Board. The City of Edmonton has from the outset supported this approach.

#### Defining the Area.

It is easy to state the general principle that the area covered by the proposed new administration should include all the area which now forms or will in the near future form part of the integrated social and economic unit - what has been called "the urban core" of the area - and that the boundaries should be sufficiently wide to allow a balanced growth of residential, commercial and industrial areas within the new municipal boundaries and to provide, therefrom, adequate municipal financial resources.

It is much more difficult to draw the precise boundaries on a map of the area and to take into account the above considerations plus the physical contours of the area, the convenience of the various sections for water and sewer facilities and the existing political boundaries and transportation facilities.

A great deal of the time of your Commission has been devoted to this question and many exhibits have been used to provide factual data to assist in its solution. Special reference should be made to Exhibit 74E which is the basic map of the area with various sections designated by shading and numbering for convenience in reference and to the following additional



exhibits:

- 15E - The journey to work maps;
- 73E - Maps showing the urban development of Edmonton and environs;
- 96E - Data re population and land use in areas immediately west of the City;
- 97E - Data re population and land use in areas immediately North of the City;
- 98E - Data re population and land use in areas immediately South and East of the City and the industrial area;
- 100E - Pro-forma Budget Enlarged Area;
- 119E - Maps of growth of urban building and optimum sewer and water extensions;
- 144E - Map of proposed boundary of enlarged City;
- 160E - Proposal with respect to boundaries;
- 167E - Extract from minutes of Council January 10, 1955;
- 171E - Pro-forma Budget for area suggested in Exhibit 167E and Map 144E.

In considering this information and attempting to foresee the course of future developments it quickly becomes apparent that three stages of growth are involved. The area which must be considered can be divided into:

1. Sections which are now fully urbanized including relatively small undeveloped sections surrounded by or adjacent to urban development;
2. Sections which are so located as to be highly favourable for urban growth in the very near future and which will therefore probably be fully urbanized within the next 10 to 15 years;
3. Sections which may become urbanized but which may on the other hand continue their rural character for many years.

It seems to be essential that category 1 should be included immediately in the boundaries of the enlarged city and it seems sensible that category 2 should also be included where the course of development seems to be clearly established even if several years may elapse before full urban



growth can be expected. To do otherwise would require another major boundary re-organization in the relatively near future.

Category 3 is however, more difficult to deal with. If it is taken into the enlarged city immediately the result will be that large sections of rural land will become part of the city and the city will be forced to deal with rural requirements indefinitely. Under such conditions a city administration would do its best to give fair treatment to the rural sections but it is certainly desirable that so far as possible rural areas should remain within a municipal district organization.

On the other hand it is precisely this category of land which is most likely to require special attention from time to time in the future. Isolated industries will undoubtedly be established in it and new residential subdivisions will be promoted. Along the highways passing through it there will grow up the usual type of highway developments. Some parts of it will undoubtedly reach the point where incorporation into the City is advisable. It is therefore necessary that some authority be established to deal with this type of development, taking into account the area as a whole and that some regular procedure should be laid down by which the boundaries of the city can be extended to include this type of development.

In the light of these factors it is proposed that the new city boundaries should be restricted to areas which are now fully urban plus a relatively narrow strip surrounding the present urban development and that there should be a strong Regional Planning Authority to operate outside those limits. Exhibit 78E contains the suggestions in that regard. It is also suggested that it should be established as a policy of the area that if any land seeks to receive urban services the boundaries of the City should immediately be extended to include it together with the intervening land. Such a policy would have the effect of discouraging scattered spread of urban developments outside the new boundaries. This



suggestion is further discussed at a later point in this statement.

It is significant that at page 31 of Exhibit 155E Strathcona is critical of the City of Edmonton for failing to take action at an earlier date to expand its boundaries. That exhibit speaks very favourably of the practice followed in Hamilton as follows:

"In other cities, notably Hamilton, the city has been alert to seek industrial areas before development starts whenever the City's existing areas have been largely taken up. In fact, the City of Hamilton offers a striking example of an industrial city that has grown up over the years by the simple process of annexation. Since 1883 it has made some twenty-three annexations. Information obtained by the District is that Hamilton has traditionally proceeded upon the assumption that the City should not annex an area already built up, but on the other hand should annex just ahead of indicated requirements. The city feels that the advantage of this procedure out-weighs any small advantage that might come from annexing large areas which would for some time remain essentially rural in character".

There may be some validity in the criticism of the City of Edmonton for its failure to take action earlier but this is only to add strength to the argument that action should be taken now to remedy the mistakes of the past and to bring about co-ordination which should have begun several years ago. The policy outlined in the above quotation is exactly that which the City wishes to follow. It proposes that immediate steps should be taken to create one city covering the present built-up area plus the area which seems certain to be built up in the fairly near future. Once that step is completed it is proposed that definite arrangements should be made to extend the boundaries of the city outward to cover new areas as it becomes clear that urban growth is beginning to take place.

In line with these principles a map which was filed with you as



exhibit 144E was prepared and the boundaries were specifically enumerated in exhibit 160E. These had in the meantime been approved by a resolution of the Council of the City of Edmonton at a meeting on January 10, 1955, and an extract from the minutes of that meeting was filed as exhibit 167E.

The resolution read:

"the following resolution of Ald. Roy was agreed to in principle, namely:

"That the council respectfully recommends to the Royal Commission that the following land, situate in the Metropolitan area of Edmonton be included within the boundaries of the City of Edmonton, namely:

- (a) the present city of Edmonton
- (b) the present Town of Jasper Place
- (c) the present Town of Beverly
- (d) The urban and industrial area of M.D. of Strathcona defined as the shaded areas to the south and east of the City in Exhibit 74E except Area 2, Area 6 and Area 7
- (e) Section 29-53-24 lying immediately north of the present city limits and west of 97th St. and containing the Griesbach Military Barracks
- (f) the area to the east of Beverly and north to the ravine as shown on Exhibit 74E
- (g) the area immediately north of Jasper Place and west of the City namely W.  $\frac{1}{2}$  14-53-25 and E.  $\frac{1}{2}$  and S.W.  $\frac{1}{4}$  15-53-25 plus the small corner of N.W. 15 lying south of the railway
- (h) the two quarter sections immediately west of Jasper Place and adjoining the Stony Plain road namely N.E. 33-52-25 and S.E. 4-53-25
- (i) on the north of Edmonton and Beverly - Area 1 on Exhibit 74E
- (j) on the south of the City - Area 2 on Exhibit 74E

it being understood that the City would be willing to accept responsibility for additional parcels lying outside the said extended limits or exclude some parts now included therein, if it was established that urbanization in such parcels was not likely to occur for a considerable number of years. Furthermore the Council respectfully recommends to the Commission that a general policy should be established to the effect that new areas adjacent to the city be brought within the enlarged boundaries of the City whenever the trend of growth and development in such new areas reaches the point where the new areas were becoming predominantly urban in character."

Boundaries in accordance with the enumeration in the above resolution would be quite satisfactory to the City but the council wished to be clear that it would also be satisfied with any boundaries which would involve either adding additional parcels lying outside the above limits



or leaving outside the boundaries some of the above parcels if it could be established that the trend to urban development was not clearly evident.

Special mention should be made of certain of the parcels adjacent to the boundaries thus suggested.

Area 3 lying immediately west of Jasper Place was discussed in these terms in exhibit 96E.

"This area is within the limits of the Green Belt of the outline general plan. Furthermore, Sec. 4 and E $\frac{1}{2}$  of 33 and LS 14 of 33 are now within the Jasper Place School District. There is some highway fringe development close to the boundary of Jasper Place and there is a real possibility that this will increase in the near future.

On the other hand the area is almost entirely agricultural and it is lightly settled. It does not appear likely that residential development will be heavy in this area and if that did occur there would be difficulties with a very long sewer extension from the disposal plant.

On the whole it appears that there are several other areas which would justify development before Area 3.

For these reasons it is proposed that N.E.  $\frac{1}{4}$  33 and S.E.  $\frac{1}{4}$  4 should be included within the extended boundaries but that the balance of the area should continue in M.D. of Stony Plain and that S.E. 33 and LS 14 of 33 and the balance of Sec. 4 should be transferred to Stony Plain School Division. The number of children requiring school accommodation is small and space should be available in Montgomery School because some of the pupils now attending that school come from the area north of Jasper Place which is proposed to be included in the new city limits".

For these reasons item (h) in the above enumeration was restricted to only 2 quarter sections. Special consideration should be given to this area before a final decision is reached.



Another section which requires special consideration is the rapidly growing rural residential area along highway 14 east of the city and extending eastward along the Wye road to include the proposed Campbelltown site and the sites of the subdivisions listed on page 7 of exhibit 155E. Considerable information concerning these subdivisions is given in exhibit 174E.

At pages 4301 and 4302 of Transcript it was pointed out that there are two groups of subdivisions along this road.

One group is located between 5 and 6 miles beyond the proposed boundary and includes the following subdivisions according to exhibit 174E.

| <u>Name</u>  | <u>Location</u>                | <u>Population</u> |
|--------------|--------------------------------|-------------------|
| Bailey No. 1 | W. $\frac{1}{2}$ S.W. 30-52-22 | 56                |
| Bailey No. 2 | N.W. 19-52-22                  | 28                |
|              | S.W. 29-52-22                  | <u>12</u>         |
| Total        |                                | 96                |

The other group is centred around the new Salisbury High School and the old Salisbury grade school and includes the proposed Campbelltown site and the following subdivisions according to exhibit 174E.

| <u>Name</u>      | <u>Location</u> | <u>Population</u> |
|------------------|-----------------|-------------------|
| Ball             | N.W. 22-52-23   | 20                |
| Ball             | N.E. 22-52-23   | 8                 |
| Ball             | S.E. 28-52-23   | 16                |
| Hulbert          | N.W. 21-52-23   | starting          |
| Wye Road Gardens | N.E. 21-52-23   | 30                |
| Whitecroft       | S.W. 23-52-23   | new               |
|                  | S.W. 29-52-23   | 20                |
|                  | S.E. 29-52-23   | <u>6</u>          |
| Total            |                 | 100               |

In addition there are according to the transcript page 4298 about 25 people residing on the proposed Campbelltown site.

This would make a total of 125 people on subdivisions in this area but the number is increasing fairly rapidly. Population estimates for the major project at Campbelltown range all the way from the present 25 persons to as high as 25,000.



At present and for the foreseeable future these settlements are populated entirely by persons who work in the urban area and commute to and from work. None of these settlements provide space for farming operations other than a large garden. They are therefore properly considered as part of the urban industrial community and as such should theoretically become part of the City. This would have the further advantage that school and other facilities would be financed from the urban tax revenues including revenues from the plants and offices where the residents work. In this way the surrounding rural areas would be relieved of the financial burden of a dormitory development which is not properly a responsibility of the rural area. The difficulty is however that these small holding properties are widely scattered along the Wye road and they completely surround three schools which serve a wide rural area. Consequently to bring them within the boundaries of the city would involve bringing in also a vast acreage of farm land which is certain to remain agricultural for many years to come and would disrupt school arrangements in the area.

One possible compromise might be to extend the proposed city boundaries to cover the Campbelltown site and the second group of subdivisions outlined above and to leave the balance of the area outside. In that way the main potential burden would be placed on the urban area rather than the rural area. The subdivisions farther east would then be a relatively small load to be left with the rural area. Another possible compromise would be to leave all these areas outside the municipal boundaries but to include them in the boundaries of the city school districts in the way that certain areas west of Jasper Place are now in the school district of West Jasper Place, but in the M.D. of Stony Plain. There are obvious disadvantages to this proposal but there are disadvantages also to any alternative.

The proposal made by the City as outlined above would leave all



these areas outside the urban boundaries both for municipal and for school purposes. On balance this seems the most desirable course of action so long as the population involved remains at around 300 persons spread over several square miles of rural land. If however, the Campbelltown site or any other site close to the city should develop to where it promises to contain several thousand persons on one section of land and using urban water and sewage facilities then it should immediately become part of the enlarged city. This is fundamental to the whole approach of the city and to the approach endorsed by Strathcona in its comments on the policy adopted by Hamilton.

Strathcona has advanced another proposal which requires special consideration when it suggests that a school division which would be partly urban and partly rural should be created by placing Beverly in the same school division as Fort Saskatchewan and Strathcona. Such a school division would contain approximately 2,850 children located as follows:

|                   |                                                                       |
|-------------------|-----------------------------------------------------------------------|
| Beverly           | 835 (exhibit 45E page 1)                                              |
| Fort Saskatchewan | 407 (exhibit 233E table 3)                                            |
| Industrial area   | 438 (exhibit 112E)                                                    |
| Rural Strathcona  | <u>1155</u> (transcript p. 1839, total of 2,000 less<br>407 and 438). |
| Total             | 2,835                                                                 |

Population growth is proceeding rapidly in the urban parts of this division so that within a very few years it would be an urban school division with a relatively small part of its students drawn from a rural area.

This suggestion therefore amounts to a proposal that the rural parts of Strathcona should be part of an urban school division and logically this leads to the thought that possibly this whole area should be included in the boundaries of the new urban school districts. The city does not advocate this solution but neither would it oppose it if it appears workable



and acceptable as a method of assuring a top standard of education for the rural parts of Strathcona.

In concluding this section dealing with the boundaries of the urban area it may be well to recapitulate briefly. The City favors defining the area on the basis of including within the new boundaries the territory enumerated but it wishes to be clear in its statement that it is not seeking to obtain this specific area and to leave other less desirable areas outside. The City would be quite prepared to agree to a proposal that the new city should be responsible for additional territory if that is thought desirable either because the additional territory contains population which earns its livelihood in the city or because the additional territory contains roads which are used almost exclusively by city traffic. Similarly it would be prepared to agree to a proposal that some parcels mentioned in the above enumeration should be left outside the boundaries of the new city if it can be established that urbanization is not likely to occur on those parcels for a considerable number of years.

If this proposal is accepted the new city would contain approximately 95.75 sections as compared to 43.35 sections within the present limits.

#### Representation on the Proposed New City Council

The question of the size and composition of the Council which is to be responsible for municipal services within the new boundaries is one of some complexity. The situation which existed at the time of amalgamation of the north side and the south side of the present city in 1911 is set out at some length in the transcript beginning at page 1654 of volume 13. At that time the south side contained about 6,000 persons or roughly 20% of the total of about 31,000 in the combined city and the so-called "South Side Agreement" guaranteed that the south side would always have representation in line with its proportion of the total population. This arrangement was validated by an act of the Legislature of Alberta and the present



legislation on that subject provides for 10 aldermen in the council of the City of Edmonton with elections to be subject to the following conditions:

17. The portion of the city south of Saskatchewan River shall be represented in the council by such number of aldermen, elected by the votes of the electors of the whole city as herein defined, as shall bear to the total number of aldermen composing the council the proportion which the population of the portion of the city south of the Saskatchewan River bears to the population of the whole city, but in any event by not less than three aldermen exclusive of the mayor.

18. For the purpose of ascertaining the number of representatives to which the portion of the city south of the Saskatchewan River is entitled, a census shall be taken once in each year. In computing the number of aldermen, any fraction less than one-half shall be disregarded, and any fraction equal to or exceeding one-half shall be considered a whole unit.

19. At each annual election of aldermen there shall be first declared elected the proper number of candidates to which the portion of the city south of the Saskatchewan River is entitled, under the terms hereof who reside and have more than one-half in assessed value of the property for which they are assessed in the City of Edmonton in that portion of the city south of the Saskatchewan River, who receive the highest number of votes; and there shall be declared elected a sufficient number of the remainder of the candidates having the highest number of votes to make up the number required to complete the council irrespective of their places of residence and of the situation of the property for which they are assessed.

The brief presented on behalf of Jasper Place, exhibit 92E, supports the proposals for amalgamation of the area and at page 7 states:

"The members of the Council have considered the type of municipal



government which should be set up if the proposed larger unit is constituted. They are not in favour of the setting up of a metropolitan system similar to that of Montreal or Toronto as they do not believe that the size of the area involved nor the population warrants so complex a system. They agree that "the Edmonton area would be best served by a complete amalgamation under one municipal council of all municipal functions within the area."

It is the opinion of the Council that the present municipal councils should all be dissolved and a new council elected for the entire area. All members of the council should be elected at large, but it is felt that during a transition period of say five years, a system similar to that set up in the Strathcona Agreement should be used whereby two councillors must be resident in each of the new areas and at the end of that time all councillors including those provided for under the Strathcona Agreement may be resident in any district of the City."

In the discussion which followed the presentation of that brief it was brought out that two representatives for Jasper Place would be far in excess of the proportion of total population in that area unless the size of council was greatly increased.

The brief presented on behalf of Beverly, exhibit 99E, dealt with the same question at page 2, where it stated:-

"It has been advocated in one of the briefs submitted, that you should recommend that immediate steps should be taken to establish a single administrative area extending over the whole district, and that such an administration should be placed under the control of one central council. We agree in principle, but provision should be made to safeguard the welfare of the individual units which comprise this single area."

One paragraph then intervenes and the exhibit continues:



"The Central Administration should be set up along the lines of a Metropolitan District, either with local borough councils electing representatives to the central body, or by having the central council elected by Divisions ..... In no case should a council be elected at large without representation being guaranteed for Beverly, similar to that provided for Strathcona at the time of amalgamation....."

In other words, Beverly agrees in principle that a single administration under the control of one council should be established with the council representatives either elected by local borough councils or elected by Divisions, but insists that Beverly should be guaranteed representation on a council elected at large. In the discussion which followed (transcript page 1688) it was made clear that Beverly was thinking in terms of one representative. It also appeared that there would be not strong objection to including the area of Strathcona directly south of Beverly in the same representation nor to a suggestion that the arrangement should last for about 5 years.

As already pointed out, the City of Edmonton is now administered by a Council of 10 members of whom at least 3 must be resident of the south side. In the light of the attitude expressed in the two briefs quoted above it is suggested that your commission should recommend that the new council to administer the enlarged city should consist of 12 members elected at large, subject to the condition that for the first 5 years there should be a guarantee that at least one alderman shall come from Jasper Place and at least one alderman shall come from Beverly.

It is suggested that at the end of 5 years from the effective date of the amalgamation all these arrangements, including the South Side Agreement, should disappear so that all parts of the new city would be on an equal footing in regard to representation.

This proposal was endorsed by the council of the City of Edmonton at



its meeting on January 10, 1955, with the proviso that any steps to terminate the South Side Agreement must be in conformity with the terms of that agreement or by proper legislation. In other words, the council does not feel that it has jurisdiction to deal with the matter itself. The council resolution on this subject is contained in exhibit 167E and reads:

"That this Council respectfully recommends to the Royal Commission that if the extended areas as specified by the City are brought within the limits of the City of Edmonton, that the new Council should be increased to consist of twelve members, all to be elected at large, but that

- (a) One member shall be a resident of the present Town of Jasper Place and shall be a representative of Jasper Place and of that part of The Municipal District of Stony Plain and of that part of the Municipal District of Morinville included in the enlarged city.
- (b) One member shall be a resident of the present Town of Beverly and shall be a representative of the Town of Beverly and of that part of the Municipal District of Strathcona No. 83 and that part of the Municipal District of Sturgeon included within the enlarged city.
- (c) Section 17 of the Edmonton Charter (being Ch. 23 of the Statutes of Alberta, 1913) concerning representation of residents of the present city lying south of the Saskatchewan River shall continue to apply.
- (d) That the special privileges referred to in (a) and (b) shall continue for a period of five consecutive calendar years next following the date of the first election of the enlarged council of twelve and as to (c) the same to be changed only in accordance with the terms of the Edmonton-Strathcona Amalgamation agreement (being Chapter 66 of the Statutes of Alberta 1911-1912 as amended) or by legislation deemed to be proper by the Legislature of the Province of Alberta.

The mechanics of implementing this proposal will present some difficulty. If at the election held in the first year one alderman is designated for the west end and one for the east end and two should be for the south side, then only 2 will remain for the balance of the City. In the following year one would be for the south side and 5 would be unallocated. Such an arrangement would be obviously unsatisfactory. It will therefore be necessary to provide that the east end and the west end are guaranteed their representation in alternate years. This might be done



by arranging in the first year for an election of 2 aldermen to represent the new areas one from the east end and one from the west end. The man securing the highest number of votes could serve for two years and the other man could serve for one year. Thereafter elections could fill vacancies as terms expired except that the guarantees to residents of particular area would only apply to elections held within 5 years of amalgamation. Thereafter all aldermen would be elected at large.

This is not intended as a thorough discussion of the manner of adjusting terms of office to conform to the special arrangements proposed. Rather it is meant merely as an indication that the question will require careful consideration.



## Financial Position of an Enlarged City

It is obvious that regardless of its theoretical merits or the degree to which it promises to promote the general benefit of residents of the area, an enlarged city of the type proposed could not function unless it had available sufficient revenue to cover the probable cost.

For this reason the Presentation of October 12 dealt at pages 13 to 16 inclusive with the question of costs. The conclusion at that time was:

"It is apparent that if Edmonton, Beverly and Jasper Place were consolidated into one single administration, the result would be that about \$750,000. per year would require to be met from revenues which would not be available in those three municipalities at the present city mill rate."

Unfortunately revenue and expenditure data for the industrial area of Strathcona were not available when the above figures were prepared. Indeed the first real discussion of expenditures in the industrial area took place at page 4348 to 4350 of Transcript and appears to indicate that a figure of about \$300,000 might be a reasonable estimate of the cost of servicing that area in 1954.

Adding this figure to the \$750,000 quoted above would indicate a total of about \$1,050,000 as the amount of revenue needed from outside Edmonton, Beverly and Jasper Place if the present mill rate is to be maintained. In other words at 53 mills an assessment of about \$19,800,000 from outside those areas would be about enough to cover the costs involved.

It is significant that exhibit 178E submitted by Strathcona suggests that assessment in the industrial area would amount to \$20,000,000 at city assessment levels.



This piece-meal approach did not however appear to be sufficiently thorough and consequently as further information became available exhibit 100E was submitted showing an estimate of revenue and expenditure for an enlarged city on a set of boundaries which were specified in that exhibit. It estimated that a mill rate of 53 plus other revenues available would cover the costs involved and leave a surplus at \$48,000.

At a still later date exhibit 171E was submitted as a Pro Forma Budget for the area proposed to be included in the enlarged city by exhibits 160E and 167E.

The assumptions upon which the calculations of exhibit 171E were based were stated to be as follows:

"This estimate of expenditures and revenues has been calculated on the following assumptions.

(1) That the population in the areas is approximately as follows:

|                              | <u>Total<br/>Population</u> | <u>School<br/>Population</u> |
|------------------------------|-----------------------------|------------------------------|
| Edmonton                     | 197,836                     | 30,037                       |
| Jasper Place                 | 13,307                      | 2,800                        |
| Beverly                      | 3,548                       | 818                          |
| North & East of Beverly      | 588                         | 158                          |
| West & North of Jasper Place | 117                         | 24                           |
| South & East of City         | 1,845                       | 406                          |
| Griesbach Barracks           | 1,000                       | 220                          |
| Total                        | 218,141                     | 34,463                       |

(2) That the Department of National Defence will continue to pay all school costs for residents of Griesbach barracks and that the cost of operation of schools for the balance of the area will be equal to the average operating cost per child of the two City School Boards in 1953 plus \$120,000



per year toward the cost of servicing the following debt items:

|                       |                    |
|-----------------------|--------------------|
| Jasper Place Public   | \$664,000          |
| Beverly               | 300,000            |
| Jasper Place Separate | 300,000            |
| One Half of Cloverbar | 216,000            |
| 2 new 4 room schools  | 240,000            |
| Total                 | <u>\$1,720,000</u> |

(3) That the sum of \$220,000 per year would be made available to pay financing charges for extra engineering works in the added areas of Jasper Place and Beverly.

(4) That the sum of \$50,000 per year would be made available to pay financing charges on the following debt items which would be assumed:

|              | <u>Total</u> | <u>Self-Supporting</u> |
|--------------|--------------|------------------------|
| Jasper Place | \$1,112,000  | 593,000                |
| Beverly      | 533,000      | 288,000                |
| Strathcona   | 79,000       | 79,000                 |

(5) That general municipal services in the area would be paid for at a standard equal to that provided in the City of Edmonton 1954 budget.

(6) That the assessment of the areas outside the present City limits would be \$26,000,000 for realty tax and \$1,500,000 for business tax.

(7) That the mill rate would be 53 and the business tax rate 10%.

(8) That payments under the Municipal Assistance Act would be \$7.55 per capita.

(9) That the Revenue Tax and Utility Profits would each increase by 5%.

It should be noted that if any one of these assumptions is not realized the result would be a change in the overall



calculation but the major items have been investigated carefully and appear to be as reliable as any estimate can be. Any changes in minor items would make no significant difference in the final result.

And the tables of estimated cost and revenue data included in exhibit 171E were:



ESTIMATED COST DATA - \$1,000, EXHIBIT 171E

Projected budget on basis of estimated population increase of 10% and on analysis of expenditure experience of City departments.

|                                         | <u>Edmonton 1953<br/>Actual Exhibit 11E</u> | <u>Edmonton<br/>1954 Estimates</u> | <u>Projected Budget<br/>Enlarged Area</u> |
|-----------------------------------------|---------------------------------------------|------------------------------------|-------------------------------------------|
| General Government                      | 1,061                                       | 1,146                              | 1,261                                     |
| Fire                                    | 1,313                                       | 1,472                              | 1,702                                     |
| Police                                  | 944                                         | 1,244                              | 1,294                                     |
| Protective Inspection                   | 175                                         | 175                                | 193                                       |
| Street Lighting                         | 142                                         | 155                                | 165                                       |
| Traffic Signs & Railway Crossings       | 124                                         | 153                                | 163                                       |
| Street Maintenance & Snow Removal       | 743                                         | 721                                | 829                                       |
| Construction & Improvements             | 649                                         | 140                                | 154                                       |
| Incinerator & Scavenging                | 778                                         | 799                                | 887                                       |
| Sewer Maintenance & Street Cleaning     | 584                                         | 642                                | 674                                       |
| Conservation of Health                  | 209                                         | 229                                | 252                                       |
| Provincial City Hospitalization         | 421                                         | 500                                | 561                                       |
| Royal Alexandra Hospital                | 43                                          | 157                                | 157                                       |
| Welfare                                 | 391                                         | 465                                | 512                                       |
| Charitable Grants                       | 53                                          | 31                                 | 36                                        |
| Education                               | 5,368                                       | 5,959                              | 6,667                                     |
| Recreation & Community Services         | 992                                         | 1,044                              | 1,062                                     |
| Tax Discounts                           | 152                                         | 160                                | 174                                       |
| Other Debt Charges                      | 1,712                                       | 2,063                              | 2,113                                     |
| Annual Cost of Extra Engineering Works  | --                                          | --                                 | 220                                       |
| Frontage Tax on Forfeited Property etc. | <u>123</u>                                  | <u>131</u>                         | <u>135</u>                                |
| Sub-Total                               | 15,977                                      | 17,386                             | 19,211                                    |
| Local Improvement Charges               | <u>819</u>                                  | <u>1,081</u>                       | <u>1,248</u>                              |
| Total                                   | 16,796                                      | 18,467                             | 20,459                                    |



ESTIMATED REVENUE DATA - \$1,000, EXHIBIT 171E

Projected budget on basis of estimated population increase of 10% and on Assessment increase of \$26,000,000 for realty and \$1,500,000 for business Tax

|                                      | <u>Edmonton 1953<br/>Actual Exhibit 11E</u> | <u>Edmonton<br/>1954 Estimates</u> | <u>Enlarged<br/>Area</u> |
|--------------------------------------|---------------------------------------------|------------------------------------|--------------------------|
| General Taxes less Local Improvement | 9,784                                       | 10,782                             | 12,160                   |
| Business Tax                         | 1,170                                       | 1,200                              | 1,350                    |
| Tax Penalties                        | 58                                          | 40                                 | 44                       |
| Licenses & Permits                   | 338                                         | 309                                | 340                      |
| Gas Franchise                        | 249                                         | 255                                | 260                      |
| Rents & Concessions                  | 403                                         | 347                                | 347                      |
| Law Enforcement                      | 313                                         | 350                                | 385                      |
| Interest Earnings                    | 279                                         | 125                                | 125                      |
| Service Charges                      | 131                                         | 139                                | 139                      |
| Recreation & Community Services      | 184                                         | 175                                | 175                      |
| Municipal Assistance Act             | 1,100                                       | 1,540                              | 1,693                    |
| Other Grants                         | 92                                          | 107                                | 107                      |
| 5% Revenue Tax                       | 814                                         | 865                                | 908                      |
| Utility Profits                      | 691                                         | 751                                | 789                      |
| Miscellaneous Revenue                | <u>388</u>                                  | <u>401</u>                         | <u>441</u>               |
| Sub-Total                            | 15,994                                      | 17,386                             | 19,263                   |
| Local Improvement Levies             | <u>819</u>                                  | <u>1,081</u>                       | <u>1,248</u>             |
| Total                                | 16,813                                      | 18,467                             | 20,511                   |



It was always made clear that these figures were no better than estimates based upon what was likely to be required in the way of adjustments from the 1954 budget of the City of Edmonton. It was also made clear that these figures would require to be adjusted if the area included within the enlarged boundary should be somewhat larger or somewhat smaller than that proposed.

Exhibit 100E which was the earlier version of Exhibit 171E contained a discussion of what would be required if some differences should exist between the boundaries used for calculating its figures and the boundaries ultimately decided upon. It discussed the possibility of extending the proposed boundaries to cover certain parcels outside the limits assumed for the purpose of that exhibit and said:

"If it is decided that one of those areas or some other area should be included it would be necessary to add in the resulting cost increases and the resulting increases in assessments and revenues. Except in a very unusual case the addition to cost would be quite close to the addition to revenue and the net effect would not significantly change the overall picture.

For example Area 1 contains approximately 464 persons of whom 127 are children of school age. It also contains approximately  $6\frac{1}{2}$  sections of land. No information is available as to the probable assessment of this area but it is largely agricultural land with a few small subdivisions. On balance it appears likely that school and municipal costs would exceed the municipal revenue available at 53 mills but the difference could scarcely be great enough to materially affect the overall budget.



Similarly Area 2 contains approximately 169 persons of whom 39 are school children. It contains 3 sections of land. This would appear to be an area where revenue would about equal expenses. In any event the difference would be even smaller than in Area 1.

A calculation of this type could be made for any particular section or fraction of a section which is proposed to be added or excluded. If it is located along the outer edge of the urban area it is certain that the financial implications of including or excluding any particular parcel will be unimportant."

As already pointed out exhibit 171E was based upon the 1954 budget estimates of the City of Edmonton. Subsequently an interim statement of the 1954 expenditures was filed as Exhibit 205E which indicated that actual expenditures had exceeded estimated expenditures by about \$500,000. At pages 4657 and 4974 of Transcript it was indicated that actual revenues appeared to have exceeded estimated revenues by about the same amount although the final details were not yet available. It was also made clear that the final decisions had not yet been made as to which exact items would be charged to Public Works Reserve and which would be charged to Construction and Improvements in the current expenditure statement.

For present purposes the significant point to be made is that any adjustment in 1954 expenditures between estimates and actual will be accompanied by a corresponding adjustment in 1954 revenues between estimates and actual. Consequently a recalculation of the budget for the enlarged area would involve



the same factors and would continue to show the same relative size of total expenditures and total revenues.

It is therefore submitted that this material clearly demonstrates that a council responsible for the proposed enlarged area would be able to cover its approximate expenditures out of the revenues available to it from a mill rate of 53 plus the other revenues which it could reasonably anticipate. It should be made clear at once, however, that such a council could, and probably would, decide to adopt new policies different in many respects from those reflected in the 1954 books of the City of Edmonton. Consequently the above calculation is only an indication of what would be possible. It is certainly not a forecast of what will actually happen.

It will be noted that the assumptions specified as underlying this pro-forma budget include certain figures as to the size of the debts to be assumed. These are the figures as they stood at the date when the exhibit was being prepared. Several of the figures are already out of date and it is obvious that by the time any enlarged boundaries can become effective there will be other important changes. The principle which the city proposes in respect to assumption of debt liabilities is discussed in a separate section devoted to that subject at a later point in this statement.

The point to be emphasized in this present context is that increases in debt charges and other expenditure items will undoubtedly occur in the interval but that increases will also occur in assessments and other revenue sources and that there is no reason to think the two elements will fail to strike an approximate balance.



The conclusion to be drawn from this pro-forma budget appears, therefore, to be that the proposed enlarged area will be approximately self-supporting. The present City of Edmonton will not be called upon to subsidize it, neither will the present City of Edmonton draw any financial gain from it unless future industrial growth brings added business assessments which are more than enough to cover the deficit on residential growth.

If the test is to be financial benefit to the treasury of the City of Edmonton the proposed extension must be held to be neither good nor bad for the immediate future. The long run prospect seems to be that it will assist in stopping a trend of unhealthy development toward increased dependence upon residential assessment.

#### Areas with mixed urban and rural Characteristics

Up to this point this Statement has dealt with the nature and organization of local government in the parts of the Edmonton area which are now fully urbanized and in the parts where the trend of development seems to be clearly toward urbanization at an early date.

But around the edges of that area there is another circle of land which may develop urban characteristics fairly soon or which may continue its rural character for many years and further afield there are certain aspects of development which are of great concern to the residents of the urban area although it is clear that the areas concerned will not be truly part of the urban core for many years to come.

It is relatively easy to lay down the principle that areas which are now urban or which will become urban in the near



future should be part of the City and that areas which seem certain to remain rural for many years should remain part of the adjacent municipal districts.

One of the most difficult and controversial questions is however that of authority and responsibility for these areas and for these aspects of development which are partly rural and partly urban.

Two aspects of this have already been suggested in this Statement. At page 20 it is suggested that there should be a strong regional planning body to operate over the whole area and to give particular attention to the areas adjoining the City where rural and urban interests are so thoroughly intermingled. At page 20 it is suggested that definite arrangements should be made to extend the boundaries of the City outward to cover any new areas as soon as it becomes clear that urban growth is beginning to predominate in that area.

These two ideas require considerable elaboration.

#### Planning in the Area Adjoining the City

Exhibit 78E contains the proposal of the City with respect to the powers and organization to deal with planning in the region.

It was submitted to the Council of the City of Edmonton and was approved by them in principle by a resolution passed on November 22nd, 1954 a copy of which appears as Exhibit 136E.

The comments of the members of the District Planning Commission on this same subject are summarized in Exhibit 162E and the comments of the Director appear in Transcript commencing at page 2245. The comments of the Municipal District of Strathcona in respect to it appear in Transcript at page 20 .



After some expressions to the contrary in the early stages of your hearings it appears from the final statements that there is unanimous agreement that all municipal governments in the area should be automatically members of the District Planning Commission and subject to its decisions but with a right of appeal to a public hearing before a Board appointed by the Province. The majority opinion seems to favor the Public Utility Board as the body to hear such appeals. Although that is not exactly in accordance with the suggestion in Exhibit 78E the City is satisfied to leave to the Provincial Legislature the decision as to the nature of the Appeal Board provided only that it is clearly responsible to the Province. The City would have no objection if the choice falls upon the Public Utility Board.

As to representation on the Governing Board there appears to be almost unanimous agreement that some weight should be given in proportion to population. The only dissenters from that position appear to be St. Albert and Jasper Place as recorded in Exhibit 162E. Here again the position taken by the City is not one of rigid insistence upon the particular formula suggested in Exhibit 78E but they do feel quite strongly that a population of about 225,000 persons in the central urban area are entitled to more representation than an area whose population is less than 10,000 especially if the municipal share of the cost of the Board is to be charged mainly against the enlarged City. The discussion of this point appears in Transcript beginning at page 2588 and concludes with this sentence at page 2590.

"the main idea is that what they have been calling the "urban core" here, which will have say 75 percent



of the total population, should have a little bit more weight than the two or three thousand or five thousand people who happen to be in one of the other centers, but there is no particular merit in eight rather than six or even five, as far as that is concerned."

With respect to the method of allocating the municipal share of the cost among the various member municipalities there seems to be no criticism of the suggestion that the share paid by the enlarged City should be its proportion of the total assessment of the area. At page 2246 of Transcript however it is pointed out that assessment may not be a satisfactory index of a proper allocation of the cost between the smaller municipalities and it was suggested that "the service factor as well as the assessment factor would have to come in it to some extent." This same idea is reflected in the answers recorded in Exhibit 162E. The City has of course no reason to have any view as to the allocation of costs among the smaller municipalities provided that the share charged against the enlarged City does not exceed its proportion of the total assessment of the area.

It therefore appears that no serious differences of opinion exist with respect to the structure and administration of the District Planning Commission. It will of course be necessary to define very carefully its exact powers and to differentiate those functions in which it will have executive power subject to appeal from those functions in which it will be purely advisory. In this regard it is suggested that you should recommend a wide range of consultative and advisory functions in order to create a medium for exchange of informa-



tion and ideas throughout the area. In this aspect of its work there should be complete co-operation and exchange of information between the technical staffs of the member municipalities, of the District Planning Commission and of the Provincial Government.

As to the executive powers to be given to the District Planning Commission a policy of caution is recommended and it is suggested that these should be restricted to only those which are absolutely essential to its proper functioning namely those listed in item 4 of Exhibit 78E as

1. Subdivision control.
2. Zoning control.
3. Control of developments adjacent to highways.

The item of Zoning Control will require careful definition to restrict it to the establishing of broad land use zones of the type now established in the General Outline Plan. Each municipality must be left with authority and responsibility to handle the details of zoning within the broad groups established by the District Planning Commission. Furthermore to the greatest extent possible, the administration of all these matters should be delegated to the officials of any municipality which has the facilities and staff to handle these matters and has adopted the necessary bylaws to implement the decisions of the District Planning Commission.

#### Areas Acquiring Urban Characteristics

In some of the discussion before your Commission it has been suggested that a strong District Planning Commission would "prevent" fringe development or "stop" the growth of urban characteristics outside the limits of the enlarged City. It seems clear however that the words "prevent" or "stop" are



unrealistic in this sense. Urban growth will inevitably go on and public opinion expressed through normal democratic processes will strongly resist anything which has the appearance of an arbitrary restriction of a normal and reasonable development. Consequently the function of the District Planning Commission is primarily that of directing the general pattern of development and discouraging development in undesirable directions.

But growth must and will go on and much of that growth will inevitably come outside the enlarged City boundaries. Consequently it is necessary to have some regularly established method of making future extensions of City boundaries to encompass such growth.

For example on several occasions it has been suggested that the objective for the future might be to prevent further industrial growth east of the new boundaries outside the City. It has been stated that efforts should be made to force such plants to locate within the City. That may be completely unrealistic. There are very good reasons why industrial growth of certain types should locate in that very district. The attitude should not be "We will force industry into the City". Rather the attitude should be "We will extend the City out to take in any territory which is becoming an integral part of the urban area".

The problem is to develop a test to be applied in determining when the City boundaries should be further extended to encompass areas of new growth. One of the most valid criticism of past practices in the Edmonton area is that this has not been done in the past. Page 31 of Exhibit 155E submitted by Strathcona is sharply critical of the City of Edmonton



on this score and strongly endorses the practice followed in the Hamilton area under which that City has followed a policy of annexation "just ahead of indicated requirements".

One test of when an area reaches this stage is in terms of the service which it requires. If it seeks water and sewer facilities from the City it is clearly part of the urban unit. Another test has been suggested namely that a residential area has become urban when it reaches a density of 4 persons per acre. It seems clear however that if the area is immediately adjacent to existing City boundaries the City should be extended to include it before it reaches either of these stages. If it is an industrial development depending upon a labor force housed in the City the boundaries of the City should be extended around it as soon as its location is definitely decided upon whether or not the plan itself depends upon City sewer and water. If it is a residential development and a demand for City services can be anticipated then the City boundaries should be extended around it at a date early enough that its layout of streets etc. can be tied into the adjacent City pattern.

It therefore seems that no one test is completely satisfactory and that your recommendation should be in terms of a periodic and frequent review of all areas adjacent to the new City boundaries with somebody given authority to order an extension of City boundaries when it considers that such action is required. At present the Public Utility Commissioners have that authority upon application but it is quite conceivable that an area may develop where the City and the municipal district



and the residents all oppose a boundary change and yet a change may be necessary in the best interests of the whole community. If there is no provision for such a case the result may be the growth of another dormitory suburb or suburbs resulting in the need for another major overhaul of boundaries along the lines which are now under discussion. It seems to be clear that if the City had been forced to accept responsibility for Jasper Place at an early stage of its growth the result would have been beneficial to the whole area.

One example has already arisen where an area has developed new characteristics even in the few months since exhibit 144E was prepared. A substantial additional area in the north end of Jasper Place and the adjoining section of Stony Plain has been zoned industrial and already several businesses have indicated their intention to locate there. These businesses will all use sewer and water facilities of the City and will depend upon a labor force drawn from the existing residential areas. Consequently the boundaries of the enlarged City should be extended outward to include the area to be occupied. Before your final recommendations are prepared and before definite legislative action is taken it seems certain that similar changes will occur at other points on the proposed new boundary. Consequently it is suggested that your report should deal with these growing situations as they stand at that time and should strongly recommend a procedure for dealing with them as they arise in the future.



## Administrative Organization

Up to this point this statement has been concerned with the basic questions of the needs with respect to local government services for the rapidly growing population in the Edmonton area. This has involved a consideration of the background history and growth of the area and of the attitudes expressed to you as to the nature of the administrative set up which should deal with municipal and school services in the area. It has also involved an attempt to define the area which is now urbanized or which seems certain to become predominately urban in the near future and a discussion of the method of selecting the members of the new City Council so that satisfactory representation will be given to the residents of the area. And it has involved an analysis of the financial position of an enlarged city which consideration led to the conclusion that the area of proposed enlargement will be approximately self-supporting so that the present City of Edmonton will neither gain nor lose financially from the extension of boundaries. Finally it has involved a review of the administrative arrangements which seem necessary to deal with areas which have mixed urban and rural characteristics.

It seems clear that the growth of the area and the large number of new residents who will come into the area in the next few years will be much better served if an overall administrative organization is created now so that new developments will grow up within the framework of an administration which is responsible to voters in the whole area and which, therefore, acts in a manner calculated to advance the interests



of the whole area rather than the narrow interest or the immediate advantage of a restricted part of the area.

It is arguable that your commission should confine its attention solely to these very broad questions of defining the area of responsibilities and the method of selecting the administrative council. This point of view leads to the conclusion that no attempts should be made to define or restrict the policies which may be adopted from time to time by the new council. Indeed in its most vigorous form this point of view would assert that no commitment could bind any future council or any future legislature and that, therefore, it would be improper to take any action which might be interpreted as an attempt to do this. During the course of the hearings a good deal has been said about "changing the rules in the middle of the game". It is, of course, true that all parties are perfectly aware that in our system of government no elected body can determine a policy which cannot be altered by another vote of the same elected body and that consequently, all concerned are perfectly aware that municipal boundaries and municipal policies are constantly changing. Despite the recognition of this principle it is highly desirable that nothing should be done which might, at a later date, be interpreted as the determining of future policies in such a manner that any change would be looked upon as "changing the rules in the middle of the game".

For these reasons it is submitted that the primary concern of your commission should be to define the area of jurisdiction and the method of selecting the council to be



responsible for the boundaries so defined and to the greatest extent possible the future council should be left responsible for future policy. There are, however, a large number of administrative matters which will require immediate attention and in respect to some of these the legislature may be required to make new statutory provisions. Consequently, it seems necessary that a number of these matters should be dealt with in the present statement although it should be understood that this discussion is to be interpreted in the light of the foregoing and consequently, any view expressed must not be interpreted as an attempt to dictate the policy to be adopted by the new council of the enlarged city.

#### Assessment

Any enlarged city will, of course, operate under the terms of the City Act and the assessment of property within its boundaries will be determined by the provisions of that Act. Since those provisions now apply in the City of Edmonton but not in the surrounding municipalities it will be inevitable that assessments in the added area will be brought into line with those now prevailing in the City.

It has been strongly urged in the various briefs on behalf of the industries located in the Strathcona area that assessment practices in Alberta lead to a total burden of municipal taxation on industry which is heavier than in other provinces. It is true that the assessment practices specified in the Alberta Assessment Act and the Alberta Assessment Manual, Exhibit 56 E produce a level of assessment somewhat higher in the case of industrial plants than the level of assessment



which results from the terms of the City Act as applied by the Edmonton Assessment Department. Consequently, if the city boundaries are extended beyond the plants the assessment of the plants will be considerably reduced. Exhibits 155E, 171E and 178E use a figure of \$20 million as the total assessment of the industrial area on the city basis. Exhibit 131E suggests \$21 million. This compares with a figure of approximately \$30 million used in Exhibit 189E as the assessment which Strathcona would lose by annexation after taking into account the reduction from the Canadian Chemical and Canadian Industry appeals.

It is clear, however, that even a reduction of this magnitude would not compensate for the difference in mill rate. 53 mills applied to an assessment of \$20 million would represent a tax of \$1,060,000 which is the equivalent of 35.3 mills on \$30 million of assessment. The mill rate in Strathcona in 1954 was 25, in 1953 it was 34. In other words the tax levy would apparently be up about 40% over the 1954 level but only about 4% over the 1953 level.

As already pointed out, Mr. H. Carl Goldenberg appearing on behalf of Canadian Chemicals was very explicit that there was no suggestion that in respect to assessment procedures something special should be done for plants in any one municipality. He made it clear that it was his view that anything of this nature would have to be on a province wide basis. (Transcript page 1179). It is significant that without exception the representatives of industry when discussing



this point denied any request for special treatment for their own plants or for special treatment for plants located in a particular municipality. They all appeared to agree with the position of Mr. Goldenberg that the approach must be province wide.

At this point it may be well to quote two paragraphs from pages 19 and 20 of the Presentation on behalf of the city on October 12th under the heading:

"Viewpoint of the Companies Owning the Plants Concerned

It is agreed that the industrial companies who own the plants in this area are entitled to protection against any unreasonable level of taxation and are entitled to expect municipal services on a standard which is in line with the standard prevailing in the surrounding area. If they receive adequate guarantees in these regards, it appears that they can have little concern as to the location of municipal boundaries or as to the location of the municipal office which receives their municipal taxes. Indeed they will probably agree that, other considerations being equal, it is desirable that their municipal taxes should go to the same municipality which provided schools, roads, sewer, fire protection, police protection, etc., to their employees and to the retail establishments and entertainment centres which serve their employees.

If on the other hand one or more of these companies seeks special tax concessions which will yield for them a level of taxation lower than that prevailing in the area, then that issue should be dealt with on its merits and in the light of the situation prevailing in that particular plant and in similar plants in other parts of the province. Merely because one or two plants need tax concessions can scarcely be a reason for giving concessions to all owners of property in that municipality. Neither would it be proper to grant partial exemption from municipal taxation by the creation or maintenance of municipal boundaries which are not otherwise justified."

It is therefore suggested that this matter should be taken under consideration by those responsible for policies in respect to industrial development in the province and those responsible for general legislation with respect to municipal



finance and assessments. The City of Edmonton does not at this time wish to support or oppose any proposal for a new basis for assessment of industrial plants. It does, however, wish to assert strongly two basic principles.

1. The Assessment practice should be uniform over the whole province and should not allow special concessions in certain municipalities unless similar concessions are available for similar plants located elsewhere.
2. The assessment level should be high enough to yield to the municipality concerned sufficient revenue to allow it to carry out its responsibilities and should be at a level which gives a satisfactory division of the burden of local taxes as between industrial, residential, commercial, and agricultural property.

In connection with the matter of assessment of industry it should be remarked that it is neither good business practice nor a fair and equitable distribution of costs between different businesses if a situation is allowed to continue in which certain industries located in a particular part of the urban area are allowed to continue to pay a mill rate and a level of municipal taxation which is lower than other businesses using the same urban facilities. Such a situation is in effect one in which the industries in one part of the urban area are paying higher taxes and thereby indirectly subsidizing other industries in another part of the area. Your terms of reference require that among other matters you should deal with the "equitable distribution of costs and the orderly development of the area", and it is submitted that there can be neither



"equitable distribution of costs" nor "orderly development of the areas" if such great inequalities are allowed to continue in the level of municipal tax rates.

Assessment of Farm Land Within the Enlarged City Boundaries

One special problem which deserves separate consideration and which is related directly to the question of enlarging the boundary of the city is that of the treatment of lands which lie within the new enlarged boundaries and which are still used for agriculture either because they have not yet been developed for urban use or because they are being held back from development in order to prevent too close a concentration of industry. This matter was discussed in exhibit 132E.

The presentation of October 12, 1954 contained on page 23 the following sentence:

"If the area is extended very widely, it may be necessary to provide some special rules of assessment for property located outside the limits of sewer and water facilities."

It soon became apparent that this would be necessary because in some locations within the proposed enlarged boundaries there are farm lands which are wholly surrounded by urban development. In addition it is proposed that certain areas should be included to provide room for further growth and some of these areas are likely to remain agricultural for a considerable number of years.

It is therefore necessary to consider both the basis of assessment for agricultural land within the city and also the method of dealing with the exemptions on farm buildings which are in force in rural areas.

In the matter of assessment of farm buildings within



the city limits the City Assessor now follows Order No.12332 of the Board of Public Utility Commissioners exhibit 71E which reads:

"Any parcel of land within the City of Edmonton containing at least 8 acres in respect of which there is no subsisting registered plan or which is an unsubdivided part of a registered plan, or any one or more parcels of land in respect of which there is no subsisting registered plan or which is an unsubdivided part of a registered plan owned by the same person which together contain at least 8 acres, shall be assessed, exclusive of the value of any buildings or improvements erected thereon, if:

1. Such parcel or parcels are 20 acres or more in extent and are used for farming purposes; or

2. Such parcel or parcels of land are less than 20 acres in extent but are used for farming purposes by an owner or tenant who derives his livelihood mainly from the actual cultivation of such land,

and the said buildings or other improvements shall be exempt from assessment or taxation by the City of Edmonton."

During the discussion at the time when exhibit 132E was presented to you it became clear that the practice followed in rural areas is not too clear especially in the smaller parcels and where the type of farming activity is not strictly within the term "actual cultivation of such land". It may therefore, be that this question will require clarification. The policy which is advocated here is that the building exemption on this property should be the same within the City as outside. Consequently any change or clarification in the practice in rural areas should be accompanied by a corresponding change in the provisions applicable in the City.

In the matter of assessment of farm lands exhibit 132E stated:

"At present the City Assessor follows the practice of assessing farm land on the basis of its value for use for farming purposes. In other words he does not assess farm land on an industrial basis merely



because it is close to an industry and is therefore a potential industrial site. Neither does he raise the assessment on farm land which is potentially a site for a housing subdivision until definite steps have been taken to develop the land for that purpose.

This seems to be a sound approach to the matter but care must be taken that it does not allow some owner to retain his land for agriculture at a low assessment level after the built up area and sewer and water facilities are such that it should be transferred to building sites. Any significant parcels of farm land within the area serviced by sewer and water could add very materially to the cost of those facilities. For that reason it seems proper that land within the sewer and water area should be assessed on a subdivided basis even though the owner chooses to continue to use it for farming purposes.

This situation was dealt with in the extension of the boundaries of the City of Ottawa by a provision that all special arrangements with respect to assessments would be ended for any particular parcel as soon as that parcel was supplied with water facilities. It was further provided that in the case of a large parcel of agricultural land where sewer and water facilities were installed along one side of the property the assessment thereafter should be on a subdivided basis for that part of the land lying within 100 feet of the sewer or water line while the balance of the parcel would continue to be treated as a separate agricultural parcel (Sec. 4(2)). Such a provision would seem reasonable under the circumstances of the Edmonton situation, except that the strip to be assessed on a subdivided basis should probably be 200 feet in view of the larger lot sizes which are normal in this area."

The Legislation dealing with Ottawa was filed as Exhibit 133E.

It is therefore proposed that the building exemption provision for agricultural land applicable in adjoining municipal districts should be followed within the enlarged City.

It is further proposed that land located within the enlarged city but used for agricultural purposes should be assessed on an agricultural basis following the procedures and practices set out for municipal districts in the Statutes and regulations of the province. But in any case where water and



and sewer facilities are made available the building exemption should end for any building located within 200 feet of sewer and water facilities and in addition the assessment of the land itself should be placed on a subdivided basis for any part of it that is located within 200 feet of sewer and water.

#### Public Utility Service in the Enlarged Area

The question of utility services in the enlarged area and the method of administering these has formed the subject of much of the discussion before your Commission. The first occasion upon which this matter was discussed was at page 433 of transcript where the question was asked "What does the City consider should happen to Calgary Power and its installations for the sale of power in these areas if they are included in the City?" The reply to that question was:

"The general thought on that - it applies to the power situation it also applies to the telephone situation - was that the new council when it was established and operating and after it had dealt with whatever other problems were involved in getting its administration going, would then undertake negotiations looking to buying out...."

It was then asked whether this implied that your Commission should make no recommendation in respect to these utilities and the reply to that was:

"No, I don't think so, I think it would be quite in order to make a recommendation provided that the time was not specified too definitely so that there was room for negotiation to take place on a reasonably give and take basis rather than a 'shotgun marriage' you might



say....because there are all kinds of opportunities for sharp bargaining if there is too definite a deadline. Now that depends an awful lot on the community attitude, of course, and particularly the rates which are a bit higher in the suburbs and they may insist on something being done fairly quickly".

Subsequently a great deal of evidence was received and concrete suggestions were made by Beverly Bus Lines, Diamond Bus Lines and by Calgary Power Ltd.

The proposal by Beverly Bus Lines is on the final page of Exhibit 142E and appears at page 2792 of Transcript. In brief it is a suggestion that the new council should have the right to take over at any time with a provision for arbitration in case of inability to agree on the compensation to be paid.

The proposal by Diamond Bus Lines appears in Exhibit 143E and at page 2804 of Transcript and says that if your Commission recommends an extension of boundaries of the City "you should also recommend that it should be made a condition of such an extension that the City of Edmonton purchase the Company's assets at a fair market price and also compensate the Company for the loss of its business operations."

When he was asked if he would object to an arrangement under which the new Council might decide to let his company carry on for 2 or 3 years the proprietor of Diamond Bus Lines Ltd. indicated no strong objection to that amount of flexibility. His reply was: (Transcript p.2806)

"Well that would have to be studied sir, I don't think I would like to commit myself on that right at the



moment".

The position taken by Calgary Power Ltd. is summarized at page 15 of Exhibit 146 E. This deals with control of rates, location of lines and the general "climate for the establishment of industry" but on the matter of continuing to provide service within the enlarged city boundaries Calgary Power Ltd. proposed:

"In all areas covered by permissive order of the Public Utility Board, the Company's rights should continue, notwithstanding any changes in administrative boundaries, and be exclusive".

When Mr. Gaherty was asked to clarify this sentence in view of the fact that at present both his company and the City Electric Distribution System are serving some of the areas his reply at page 3006 of Transcript was:

"I think it should be exclusive for the reason that you get a lot of duplication of facilities if you have two utilities competing in the same area".

He immediately agreed that duplication could be ended by giving the exclusive right in any area to either of the present operators and at page 3010 he commented:

"I wouldn't anticipate any difficulty, Gentlemen, in our getting together with the City and arranging a swap of lines and that we would exchange some of our distribution lines for some of theirs, so that we could get the whole supply in areas beyond the City limits more orderly than it is at present".

At page 3030 of Transcript he again dealt with this subject in these words:

"....I mean, the residential service is grist to the



mill, we naturally don't like losing it, but of course it is the industrial load which is our special business, that we are particularly concerned over."

He was then asked "Yes: you are willing to negotiate with the City, I take it, from what you said previously, on this whole area on an equitable basis,"

To which he replied:

"Yes, oh yes, but we don't want to lose any business if we can help it, though."

These three companies operate utilities within the proposed boundaries of the enlarged City providing the same service which is provided within the present boundaries by City utility departments. This same situation applies to the Alberta Telephone and in a small way to several of the co-operative rural telephone and rural electrification companies. It is logical and desirable that the policy adopted should be one which is applicable to this whole group of utility operations.

The appropriate policy to be recommended in regard to these utilities has received careful consideration by the City Commissioners in consultation with the various department heads. During these discussions the evidence submitted by the various utility companies was taken into account as well as the view-point of the City utility departments. Furthermore these discussions did not overlook the considerations outlined at page 51 of this present statement with respect to the need for flexibility and the need to preserve the freedom of action and the responsibility of the new council. In the light of these considerations the city suggests that your report should recommend that in respect to electricity, transit and tele-



phone serving residents in the areas proposed to be brought within the enlarged city boundaries, the new Council should be authorized to take over existing facilities if and when they can be efficiently operated in conjunction with those now operated by the City of Edmonton subject to a provision for arbitration if no agreement can be reached with the owners as to the compensation to be paid.

This then is the general principle which the city feels should be adopted in respect to this group of utilities. It is obvious that a number of details will require to be worked out and that the new council may decide to act quickly on some items and to delay action on others. The fundamental requirement seems to be, however, that both responsibility for action and power to act should be clearly placed in the new council. The arbitration arrangements may need to be varied to meet the circumstances of the particular utility involved and careful attention should be directed to that point when the necessary legislation is being drafted.

Parallel to these situations in some respects and yet fundamentally different in its essentials is the matter of gas service provided within the present city by Northwest Utilities on an exclusive franchise recently renewed by mutual agreement and provided in the adjoining areas by Northwest Utilities or other companies under a variety of arrangements.

The brief of Northwest Utilities is Exhibit 101E and it states on page 1 that it is not the purpose of the Company "to support or oppose" any suggestions for changes of municipal boundaries. Rather the purpose is stated to be that of pointing out "the effect that a larger metropolitan area might have on



the distribution and utilization of natural gas in the suggested area".

From its point of view the Company sees two main difficulties:

1. The taxes paid by it would be increased somewhat if the levies now in effect under its franchise with Edmonton were applied in the added area where it now enjoys somewhat lower tax rates.
2. The rate scale in Beverly and the adjacent area is now higher than in the city and in Jasper Place and Strathcona and the Company would have some reduction in revenue if this scale were brought into line with the balance of the area.

In total these items do not represent a large part of the total revenue of the Company. Furthermore in respect to the second item it was pointed out at page 1744 of Transcript that the rates charged in Edmonton are rates fixed by the Public Utility Board while the rates charged in Beverly and Jasper Place are rates agreed upon between those communities and the Company and have never been investigated by the Public Utility Board. In the course of the discussion which followed it was pointed out that the Beverly area is growing quite rapidly with the result that capital costs of servicing that area are being spread over a much larger number of consumers. This being true it is possible that the time has now arrived, or may soon arrive, when the Company could profitably service that area on a rate scale equal to that of the City and Jasper Place. At page 1750 of Transcript the witness of the Company seemed to concur in a suggestion that the present rate



structures might be allowed to continue until the matter could be dealt with by a rate hearing before the Public Utility Commissioners.

The most satisfactory disposition of this matter seems therefore to be a proposal that immediately after the enlarged boundaries become effective there should be an application to the Public Utility Commissioners to establish a uniform rate scale applicable over the whole area and that the scale so established should be subject to review in accordance with the ordinary procedure for review of Public Utility Board decisions.

The question of taxes on utilities has received very extensive discussion before your Commission and it is therefore thought best to leave the discussion of taxes on the gas utility to be dealt with in the section of this statement devoted to utility financing and taxes. In the present context it is only necessary to state that the municipal taxes payable by Northwest Utilities would be one factor to be taken into account by the Public Utility Board in the proposed hearing on a uniform rate scale in the enlarged area.

In the case of water service the utility is handled by the City or municipal government in each area except that in a small number of cases the City serves customers located outside its boundaries and even outside the proposed enlarged boundaries. The matter of water service can however, probably be disposed of without serious difficulty. Within the area served by the city waterworks a uniform scale of rates and frontage charges should apply with the level of rates and charges being, in the first instance, those now applicable in



the City. Any extensions beyond the new boundaries would continue to receive service but as previously suggested in this statement the policy for the future should be to refuse to extend city water service unless the boundaries of the city are extended to include the property served.

### Public Utility Taxes and Financing

A substantial part of the time of your Commission was devoted to discussion of the financing of utilities in the Edmonton area including the question of the size of reserves for capital extension and the amounts taken from utility earnings into general revenue of the City.

The present position is that the utilities both city owned and privately owned in the City of Edmonton pay to the City a tax calculated as the current mill rate applied to an estimated assessment plus a 5% revenue tax. The total revenue to the City from these two sources in 1953 can be calculated as follows from data on pages 56 to 63 of exhibit 11E and from exhibit 206E

|                       | <u>Property tax</u> | <u>5% revenue Tax</u> | <u>Total</u> |
|-----------------------|---------------------|-----------------------|--------------|
| Telephones            | \$ 131,250          | \$ 136,388            | \$267,638    |
| Electric Distribution | 131,250             | 221,892               | 353,142      |
| Power Plant           | 131,250             | 177,654               | 308,904      |
| Water works           | 131,250             | 118,631               | 249,880      |
| Transit               | 26,250              | 159,673               | 185,923      |
| Northwest Utilities   | 185,991             | 249,087               | 435,078      |

At page 6 of exhibit 11E the total taxes paid by city owned utilities is shown as \$1,365,488. This is the total of which the foregoing table gives a breakdown and it is equivalent to the regular rate of 53 mills applied to an assessment of \$25,952,600.

In addition to the amounts paid to the City under the



heading of taxes, the city owned utilities set aside in reserves for various purposes certain sums and out of those same reserves they provided certain sums toward the cost of new plant and equipment. The record for 1953 in this regard appears at pages 12, 14 and 15 of Exhibit 11E and is as follows:

|                       | <u>Capital Equipment Bought</u> |                       |                        |
|-----------------------|---------------------------------|-----------------------|------------------------|
|                       | <u>Placed to Reserve</u>        | <u>Out of Reserve</u> | <u>From Debentures</u> |
| Electric Distribution | \$ 416,355                      | \$ 616,002            | \$ 600,000             |
| Power Plant           | 1,406,951                       | 1,162,707             | -----                  |
| Transit               | 376,259                         | 31,040                | -----                  |
| Telephone             | 640,030                         | 640,029               | 1,475,000              |
| Waterworks            | 543,175                         | 522,504               | 137,360                |
|                       | <u>3,382,770</u>                | <u>2,972,283</u>      | <u>2,212,360</u>       |

In addition two items namely \$309,523 for Electric Distribution and \$391,786 for Telephones were financed out of temporary funds pending capitalization. In other words a capital program of about \$5,900,000 was financed to the extent of about 57% out of reserves set aside from current revenue.

Interest and current instalments of principal on outstanding debentures were also met by the utilities and after all these had been dealt with a surplus was shown totalling \$691,261. The details of these items appear in exhibit 11E on pages 6 and 56 to 64 and are as follows

|                       | <u>Payments on Outstanding Interest</u> | <u>Debentures Principal</u> | <u>Surplus</u> |
|-----------------------|-----------------------------------------|-----------------------------|----------------|
| Electric Distribution | \$ 78,491                               | \$ 102,277                  | \$62,823       |
| Power Plant           | 29,828                                  | 72,486                      | 370,122        |
| Transit               | 74,274                                  | 169,584                     | 64,838         |
| Telephone             | 198,949                                 | 262,338                     | 114,091        |
| Waterworks            | 224,811                                 | 142,324                     | 79,387         |
|                       | <u>606,553</u>                          | <u>749,009</u>              | <u>691,261</u> |



Your Commission has heard strong expressions of the point of view that it is not a sound policy to use earnings of utilities in such a way as to reduce the mill rate which would otherwise be chargeable against real property. It has also heard strong expressions of the view that the best utility management practice is to insist that gross revenue should cover current operating costs plus the items which a private company would be called upon to pay namely normal municipal taxes, depreciation on assets, interest and principal on outstanding debt and a reasonable return on investment plus some allowance toward the financing of additions and replacement of equipment. It has also been argued before you that municipally owned utilities should in addition be expected to contribute to general municipal revenue an amount equal to the corporation income tax and that it is right and proper that the people of a City should through their elected council adopt or reject a policy of collecting some further revenue through utility rates rather than through real estate levies.

The City therefore strongly urges that your Commission should not recommend any change in legislation which would restrict the right and the responsibility of the future councils of the enlarged city to establish utility rates in accordance with the policy which seems most appropriate at the time. This is one other matter in which it is essential to retain for future councils wide flexibility of action coupled with clear responsibility for the consequences of the policy adopted.

In the light of these considerations it is felt that the matter of municipal taxation of Northwestern Utilities



should be left to be dealt with by the new council of the enlarged area. As already mentioned, the level of taxation imposed will, of course, become one factor in the decision of the Public Utility Board as to the rate schedule.

### Provincial Grants

The City of Edmonton and its officials have on many occasions expressed the opinion that a larger share of the cost of education, welfare, health, roads and other municipal services should be paid out of taxes collected over the whole province and out of the phenomenal revenues available to the provincial government from the development of oil and gas resources. The most recent presentations in this regard were those made by the Alberta Union of Municipalities to the Provincial Government in January 1955. The City strongly supports the proposals made at that time.

In the 1955 Budget of the Province of Alberta substantial increases were made in the grants payable to municipalities and school districts to assist in meeting the cost of local services. The City of Edmonton is highly appreciative of this assistance and looks upon it as evidence of the intention of the government of Alberta to follow a policy of relieving to some extent the burden upon real property taxation. The city does not, however, feel that any program of this sort should be looked upon as a permanent solution of the problem of adequate revenue sources for the municipalities. It is certain that the major question of the fundamental financial position of municipalities will require re-assessment and re-adjustment almost every year and history shows it to have been an important centre of attention at every recent session of the Legislature.

The fundamental financial relations between the Province of Alberta and the municipalities of Alberta must, therefore, be looked upon as a



matter requiring almost continuous study and as a matter involving some of the most important considerations of public policy in the whole province both in the large cities, in the rural areas and in the smaller urban centres.

Your terms of reference are, however, directed to the "City of Edmonton and surrounding areas, and the City of Calgary and surrounding areas." Your primary responsibility is to deal with boundaries and administrative organization in those areas but your terms of reference are broad enough to allow you to go into all aspects of finance as well. It is submitted, however, that a thorough job on municipal finance would involve you in considerations going far beyond the two metropolitan areas and in such a study there would be a serious danger of losing sight of the boundary and administrative problems of the large cities. It is submitted also that such a study would necessitate the preparation of great amounts of factual material on matters which have not been adequately covered at your hearings.

While Edmonton would, therefore, appreciate anything which you might recommend toward the major question of municipal finance throughout the province it has directed its primary attention to financial matters of special significance to the "City of Edmonton and surrounding areas".

In the first place this is an area which is growing at a tremendous rate so that the construction of the new municipal services especially school buildings, sewer, water, streets and power facilities have crowded into 4 or 5 years the work which under a more normal rate of growth would have been spread over 20 to 25 years. The result has been to create a tremendous problem in planning and executing such vast engineering and construction programs and an even more tremendous problem in securing the financial resources to pay for the work done. Finally it has meant that current tax levies and utility rates have been called



upon to meet interest charges and principal payments on an ever increasing debt load whereas under a more normal growth the debt for the services for the first increment of population would have been paid off before the debt for the next big development was incurred.

Exhibit 17E at page 18 discussed this problem as it appeared in 1951 in the following terms:

"Growth which may be characterized as economic is not capable of precise measurement. It is accepted however that an urban population increase of anything in excess of 2.5 or 3 percent is hazardous and will of itself involve extra costs. It is apparent that population surges of the order of 10,000 on a population base of 125,000 approach the crisis stage".

This was written in 1951 in a study which anticipated a population of 189,000 for the area by 1956 or 211,000 by 1961. The record of what actually happened appears in Exhibit 16E and it was as follows:

| Population Growth<br>Edmonton City |               |                 |                         |
|------------------------------------|---------------|-----------------|-------------------------|
|                                    | <u>Number</u> | <u>Increase</u> | <u>Percent Increase</u> |
| 1948                               | 126,609       |                 |                         |
| 1949                               | 137,469       | 10,860          | 7.9                     |
| 1950                               | 148,861       | 11,392          | 7.7                     |
| 1951                               | 158,912       | 10,051          | 6.8                     |
| 1952                               | 169,196       | 10,284          | 6.5                     |
| 1953                               | 183,411       | 14,215          | 8.4                     |
| 1954                               | 197,836       | 14,425          | 7.9                     |

In other words the growth anticipated for 5 years occurred in slightly over 2 years and the growth anticipated for 10 years appears to have occurred in 4 years.

The most dramatic illustration of the resulting problem is the record of school construction as shown on page 6 of exhibit 130E. This shows:



|                                       |              |
|---------------------------------------|--------------|
| School Rooms constructed 1885 to 1946 | 437          |
| School Rooms constructed 1947 to 1954 | 489          |
| School Debentures issued 1885 to 1945 | \$ 7,000,000 |
| School Debentures issued 1946 to 1954 | \$14,656,000 |

An additional program of \$7,700,000 of new construction is planned for 1955.

It should be pointed out also that these figures apply to the Edmonton Public School Board only. The growth of the Separate Schools has been proportional. The growth of the schools of Jasper Place and Beverly have been much more rapid. Exhibit 60E the brief submitted by West Jasper Place School District gives the following record of increases in enrollment:

|                   | Percent increase in enrollment<br>1944 to 1954 |
|-------------------|------------------------------------------------|
| Jasper Place      | 729%                                           |
| Beverly           | 112%                                           |
| Edmonton Separate | 84%                                            |
| Edmonton Public   | 45%                                            |

It is submitted that growth at the rates indicated by these figures has taken the problems of Edmonton well out of the range of normal municipal problems and into a range which requires special provincial action.

#### Provincial Grants - Education

In order to assist in areas in which school enrollments are increasing very rapidly the Department of Education has been making small additional grants under Section 3 (2) of Order in Council 600/54 which was filed as exhibit 62E. That section reads:

"During each fiscal year there shall be determined the percentage, if any, by which the net enrollment in the schools of the Province at the end of the immediately preceding complete school year has exceeded the net enrollment one year earlier. With respect to any



district or division in which the percentage of increase has exceeded the percentage for the Province the number of pupils by which the increase in enrollment has exceeded that represented by the percentage for the Province as a whole shall be determined. There shall be paid during the fiscal year a grant of One Hundred Dollars (\$100.00) for each such pupil."

This is a very sound principle which appears to have been originated in Alberta. It directs added assistance to those specific school districts which have a particular problem resulting from a rapid increase in enrollment and is explicit recognition that those districts have added burdens due to the necessity of providing new school facilities. The schools of Edmonton, Jasper Place and Beverly have all received extra assistance under this formula and are appreciative of that assistance.

It should be pointed out however the \$100.00 per student for one year does not go far toward meeting the costs which arise in these circumstances. If new buildings are involved the financing charges on them will continue for many years. If a large number of children come into the district, the increase is almost certain to continue until the children graduate from high school. For these reasons, it is suggested that the special grant of \$100.00 per student under this section should be payable for five consecutive years instead of for one year only. In that way a district which has a series of consecutive large increases in enrollment would have an overlapping series of special grants to assist it with the special problems of a rapid and sustained growth in its school population. It appears likely that the main benefit from such a scheme would come to the schools of the Edmonton area where the increase of school population is certain to be rapid for several years to come.

Another type of school grant, which requires special mention is



that described in Section 4 of exhibit 62E. These are the equalization grants to school districts with low assessments per classroom. City school districts do not receive grants of this type and it is clear that even if they were covered by the section the assessment per classroom in the City of Edmonton is high enough that it would not be entitled to any equalization grant under this section. Similarly the Cloverbar School Division has an assessment level which gives it no claim for an equalization grant.

But Jasper Place and Beverly both draw an important part of their school revenue under this section. Indeed in the case of Jasper Place the Minister has acted under Section 4 (e) and declared that Jasper Place shall be considered a rural district for the purpose of these grants. Jasper Place therefore received the grant under Section 4 (d) and the rate is \$19.00 per classroom for each \$1,000 by which its assessment per classroom is less than \$130,000. This was pointed out at page 925 of Transcript and the total grant was calculated at \$1,083, per classroom as an additional grant to Jasper Place which is not payable to a school district with a level of assessments high enough that it does not qualify for equalization grant. The total of all grants to Jasper Place was set forth on pages 931 to 933 of Transcript and appears to be approximately \$57.00 per student for current grants as compared to approximately \$27.00 per student for current grants in the City of Edmonton.

Beverly also receives special benefits from the equalization section of Exhibit 62E although the amount per student is somewhat less than in Jasper Place because the level of assessment is not so low.

It is obvious that if Jasper Place and Beverly are brought into a school district which also contains the City of Edmonton and the Strathcona industrial area the new school district will have an assessment level high enough to greatly reduce or even to eliminate the



equalization grants now being paid by the province to Jasper Place and Beverly. In other words one result of creating an enlarged school district would be to reduce the amount paid by the province in school grants. A similar situation has been brought to the attention of your Commission in relation to the areas adjacent to Calgary. It is certain that such a result would not be desired by the province and it is therefore urged that you should recommend that in any extension of City boundaries the enlarged school districts should continue to receive the benefit of all grants which the province is now paying to areas for which the City school districts would be accepting responsibility. This point was stressed by the brief of the Edmonton Public School Board, Exhibit 4OE at page 460 of Transcript.

#### Provincial Grants - Roads

The public roads of the area serve all the people of the area without regard to the location of their residence or their place of business or the municipality to which they pay taxes.

But the cost of road construction and maintenance must of necessity be divided between money provided by the province from funds raised by taxes and revenue sources available over the whole province, and money provided by the municipality in which the road is located from funds raised largely by real property taxes in that municipality.

The division of cost which has applied in this area for several years is as follows:

Out of provincial funds the following costs are met:

- (a) Construction of provincial highways located outside the city limits;
- (b) Maintenance of provincial highways located outside the city limits.



(c) A share of the cost of construction of local roads in municipal districts. In 1954 this share was:

|             |          |
|-------------|----------|
| Strathcona  | \$54,391 |
| Leduc       | 85,464   |
| Stony Plain | 58,502   |
| Morinville  | 48,233   |
| Sturgeon    | 60,483   |
| Lamont      | 77,104   |
| Beaver      | 76,909   |

In determining the amount of its contribution of this item the province takes into account the population of the municipal district, its area or mileage of roads and its assessment and the mileage of provincial highways provided within it completely at the expense of the province.

(d) \$500.00 per mile toward maintenance costs on designated highways within the limits of the City of Edmonton. In 1954 this item amounted to \$13,705.00.

Out of municipal funds all other road construction and maintenance costs are net.

It is agreed by all that provincial highways located in surrounding municipal districts serve primarily through traffic to and from the city rather than the local traffic of the community. For these reasons it is right that these highways should be paid for from funds provided by the province as a whole. For example the highway through Beverly from Edmonton to the Cloverbar Bridge is rightly a charge on the people of Alberta as a whole and not a charge on the residents of Beverly. Similarly highways 14 and 16 through the industrial area serve both city and rural residents on their travels to and from the city rather than the particular individuals who live in the immediate vicinity. It is right and proper that these highways should be paid for from funds raised over the province as a whole.

This situation will continue to exist if the boundaries of the



city are extended outward so that these highways are included within the city. The mere change of municipal boundaries will in no way change the nature of the traffic served by these roads.

It may be that, in time, the change in boundary will lead to the growth of urban development adjacent to these roads and thus make them more costly to build and maintain. If that occurs it may be that they will then, to a larger proportion, serve local traffic rather than through traffic. If that occurs it may then be proper that local residents should pay some share of the cost but this will certainly not be the immediate result of extending city boundaries.

If the present policy in respect to highway costs is continued the immediate result of a boundary change will be to relieve the province of the cost of highways in the enlarged area. This is another case in which it does not seem proper that because the city accepts responsibility for municipal services in an area it should also be called upon to accept responsibility for services which are now being provided by the province.

It is therefore proposed that your Commission should recommend that revenues available from funds of the whole province should be used to pay the cost of construction and maintenance of provincial highways wherever they are located and in particular the cost of construction and maintenance of provincial highways in any areas added to the city from municipalities in which provincial funds are now paying for highway construction and maintenance.

#### Provincial Grants - Municipal Services in Enlarged Area

Within the terms of reference of your commission it is clearly necessary for you to deal with the situation in Jasper Place and Beverly and the corresponding localities in the Calgary area namely Bowness, Montgomery and Forest Lawn.

These are all communities which have grown up rapidly in the



last few years and in which the standard of municipal services has been limited by the low average level of income of the residents and by the extremely low level of assessments per capita due to the almost complete absence of industrial and commercial assessments.

These residential suburbs have for several years acted as "dormitories" for the adjacent cities and it is agreed by all that the cities therefore have considerable responsibility toward them. Their residents have been employed in the downtown area and have been served by the downtown commercial and recreational establishments and they therefore have a valid claim for some share of the municipal revenue from downtown industrial, commercial and recreational facilities.

In this sense therefore, it might be argued that taxes from the whole urban area should be used to pay for the raising of the standard of municipal services in these areas.

On the other hand it can be argued that the difficulties of these areas have been greatly aggravated by the sudden growth in their population due in the main to factors such as oil and petro-chemical development which arise out of the province as a whole and which have created large revenues for the province. From this point of view it might be argued that revenues available to the whole province should be used to pay for the provision of an acceptable standard of municipal services in these areas.

As to the probable cost of such a project the estimates appear to vary over a wide range. Exhibit 29E is the estimate prepared by the Edmonton City Engineer with respect to Jasper Place and Beverly. It could be summarized thus:



Cost to Service Existing  
built up areas

|                              |                |
|------------------------------|----------------|
| Jasper Place                 |                |
| Streets, lanes and Sidewalks | \$1,900,000    |
| Storm sewers                 | 1,100,000      |
| Beverly                      |                |
| Streets, lanes and sidewalks | 1,100,000      |
| Storm sewers                 | <u>487,000</u> |
| Total                        | \$4,587,000    |

It is estimated that approximately 50% of the cost of streets, lanes and sidewalks ie. \$1,500,000 would be chargeable as property owners' share of local improvements. This would leave a balance of about \$3,100,000 as the cost to general revenue for installing these services in the presently built up area. These calculations assume that sanitary sewers would be installed in accordance with present plans and that the resulting debts would become part of the general debt of the enlarged city in the same way as debt for sewers elsewhere.

It is noted that the estimates of the cost of similar programs in the areas adjacent to Calgary appear to be much higher per capita. The financial analyses submitted by the City of Calgary quotes the following figures:

|             |                  |
|-------------|------------------|
| Bowness     | \$3,970,000      |
| Forest Lawn | 2,150,000        |
| Montgomery  | <u>1,868,000</u> |
| Total       | \$7,988,000      |

It appears however that these figures include the cost of sanitary sewers as well as storm sewers and streets, lanes and sidewalks. In addition they presumably include the property owners' share as well as the amount chargeable to the city at large.

It is submitted that in the light of the fact that these communities are in part the responsibility of the adjacent cities and in part the responsibility of the province as a whole, there should be



some division of the cost of providing these badly needed improvements in basic public works. The problem is really two fold:

- that of securing the capital money needed to finance the cost of installation;
- that of raising the revenue needed to pay the interest and principal on the debt incurred.

It is submitted that both these are important but that the greatest urgency is in respect to the raising of capital funds. It is therefore suggested that your commission should recommend that the province should make available the capital required for these projects on long term loans at reasonable rates of interest and that interest and principal on these loans should be charged as follows:

- (a) The normal amounts should be levied as local improvement charges against adjoining property;
- (b) The balance of principal and interest on these debts should be paid by equal annual installments over a period of 25 years and each annual installment should be met by half being contributed from general revenue of the province.

The amounts dealt with in this manner should include installations of streets, lanes and sidewalks and sanitary and storm sewers. In other words the existing sanitary sewer programs of Jasper Place and Beverly should be treated on the same basis as any sanitary sewer programs for Bowness, Montgomery and Forest Lawn.

#### Provincial Grants - Provincial Property

It has been argued before your Commission on several occasions that it is impossible for a municipality to pay for school and municipal costs out of taxes on residential and commercial property unless it also receives a tax contribution from the basic industry in which the residents are employed. For example at page 7 of the



presentation of October 12, 1954, it is pointed out that the expenditures of the Edmonton School Boards alone are large enough to absorb more than the total of all taxes on residential property. From this basis it was argued that the City of Edmonton and the Town of Jasper Place and Beverly could not be expected to pay for school and municipal services for the families whose heads are employed in Strathcona unless taxes from the plants located there were made available to assist in meeting the cost. The same reasons makes it apparent that municipalities and school districts serving the families of persons employed in exempt property cannot be expected to pay for municipal and school services without receiving some contribution from the place of employment.

Exhibit 155E, the submission of the Municipal District of Strathcona contains Table 5 which estimates the total numbers employed in non-taxable facilities in the City of Edmonton. In summary form the figures are:

|                                        |      |
|----------------------------------------|------|
| - Government of Alberta and University | 3410 |
| - Government of Canada (Civilian)      | 2600 |

In addition an indefinite number of others are employed in non-taxable facilities such as schools, city enterprises, religious and charitable organizations.

The principle advocated is that those who receive the benefits of a given enterprise should make the normal contributions to the cost of municipal services. For example a life insurance company operating an office building charges against its policyholders an amount necessary to pay local taxes. A bank does the same in calculating its charges to its customers. In the case of employees of the Province of Alberta the function performed is one which serves the whole body of residents of the province. It may be the provision of financial administration, or agricultural development or mineral development or welfare administration or



school administration. In each case the work done by the provincial department is done for the benefit of the people of the whole province. It therefore seems right that all expenses in connection with these services should be paid from revenues collected from the people of the whole province, and these expenses clearly include the normal contribution to municipal costs which would be paid by an organization providing insurance or banking facilities.

It is therefore suggested that your commission should recommend that the province should pay grants equal to normal tax levies on all enterprises operated by it in the interest of the province as a whole and should thereby eliminate the burden on the particular municipality which is called upon to pay for school and municipal services to the families of government employees. Your commission has of course, no authority in respect of federal services but any statement of principle enunciated by you will assist in the efforts to have the Federal Government accept to the full the responsibility which it has already accepted in part.

In the case of local schools and municipal and religious and charitable organizations the situation is quite different. These services are in the main provided to persons living in the municipality concerned and consequently any payment of local taxes would merely be an arrangement by which the local community in its capacity as payers of school taxes, for example, would make a payment to assist the local community in its capacity as payers of municipal taxes. In such an arrangement the payers and the beneficiaries would be the same people in almost exactly the same proportions so that no benefit would be gained from the additional bookkeeping involved.

#### Adjustments of Liabilities and Assets

The question of the adjustment of debts and assets in any alteration of local government boundaries is always a complicated one. The position taken by the Ontario Municipal Board is set out on pages



81 and 82 of Exhibit 5E which is the Ontario Municipal Board report recommending a Metropolitan area for Toronto. That report states:

"Turning to the larger question of a general adjustment of assets and liabilities with respect to the assets to be taken over by the Metropolitan Council in the foregoing proposals, it is the considered opinion of the Board, as previously stated in the specific proposals, that these assets should be taken over and operated for the benefit of the entire area without adjustment except for the assumption of outstanding indebtedness. In the board's opinion, the true nature of these assets is often misunderstood. Although they have been built and financed by the various individual municipalities and their local boards, they are not in a legal sense the property of the residents or ratepayers for the time being resident within the municipality where the assets are located. They are, in every sense of the word, public property and are held in trust for the use and benefit of the present and future residents of the area within the jurisdiction of the local authority. But that area has no fixed and predetermined limits and it may be indefinitely enlarged or included with other areas for the purposes of local government at the will of the legislature. The municipal government is, after all, a government and not a commercial corporation which can wind up its affairs sell its assets and distribute the proceeds among its shareholders. For this reason it seems to the board that so long as the residents of the particular area are not deprived of the beneficial use of the assets built or maintained for them by their local government, the management and operation of the asset by a new type of local government which will be, in effect, a new trustee, deprives them of no rights whatever, and entitled them to no individual or collective compensation.



Many of the most valuable assets to be transferred, such as the water works plants and the valuable undertaking of the Toronto Transportation Commission, have been paid for by the consumers and not by taxpayers, and a considerable portion of the revenue earned has been provided by the residents of the suburbs. While other assets have been built entirely out of taxation, size and capacity has in nearly every case been limited to the needs of the residents of the limited area providing the tax revenue. It is true that some of the municipalities, more particularly the city, have undertaken costly street extensions, widening and improvements which are used by the residents of the city and suburbs alike, but such streets are public highways and no municipality can legally prohibit their free use by the travelling public or proceed on the theory that they are the exclusive property of the taxpayers within the particular municipality providing them.

For these reasons the board is of the opinion that the assets to be transferred to the Metropolitan Council under the foregoing proposals should be taken over without adjustment but subject only to the assumption and payment of outstanding capital indebtedness incurred by any local municipality for their construction, extension or improvement".

It is submitted that this is an exact description of the situation in the Edmonton area and that the same principles should be applied. In other words the new council should take over full control of and responsibility for all municipal liabilities and assets in the area. This would include all the debts of Jasper Place, Beverly, Edmonton and Strathcona. There may be some questions as to the propriety of taking responsibility for all the debts of Strathcona since only part of the area is proposed to be included in the new boundaries. The only debt of



Strathcona is however that incurred for water facilities in the enlarged area and consequently is properly a liability of the new area. Furthermore, Strathcona has advanced certain sums out of its general revenue and used them for waterworks purposes. It should be entitled to receive repayment of the balance outstanding on that account.

In the case of schools the new city school boards should take all liabilities and all assets of the School Boards of Jasper Place and Beverly. In the case of Cloverbar the proposal would place in the enlarged area about 75% of the total assessment and it is suggested that about that proportion of the debt should be assumed. It should be pointed out that both Exhibit 100E and Exhibit 171E refer to the assumption of one half the debt of Cloverbar. These were prepared on the basis of the old Cloverbar area on which basis the enlarged area would have contained about one half of the assessment of the Division. It is suggested that the final adjustment should be on the basis of dividing the debt liability of Cloverbar in proportion to the division of assessments.



### Continuity of Employment for Staffs

In a major administrative change of the type which is proposed one of the important matters to be taken into consideration is that of continuity of employment for the personnel who have so faithfully carried out the programs of the units which are being amalgamated.

This has been recognized by several of the persons who have appeared before you. For example Exhibit 40E which was the first brief presented by the Edmonton Public School Board expresses at page 3 the opinion that it would be advisable to have all Protestant schools in the Greater Edmonton area under one school board if certain conditions are met and one of those conditions is that "the Protestant members of the teaching staff now employed in the schools in the Greater Edmonton Metropolitan Area would be permitted to keep their present positions". The Brief of the Edmonton Separate School Board was presented immediately after the Public School Board and at page 503 of Transcript their spokesman said "We adopt generally the attitude of the Edmonton Public School Board and, mutatis mutandis, we agree with the submission which they have made".

At page 8 of its Brief Exhibit 92E the Town of Jasper Place listed a number of conditions to its support of the proposed amalgamation, one of these being:

"The present employees of the Town must be retained in positions of comparable status and the voluntary fire department absorbed into the Edmonton Fire Department."

At page 1632 of Transcript this was interpreted as meaning the members of the Jasper Place volunteer fire brigade would be given the opportunity to enter the City fire brigade "if they could meet the standards of Edmonton."

This again is a situation where some difficulty arises in trying to preserve the independence and responsibility of the new council and



School Boards of the enlarged area while at the same time trying to lay down some general guides as to policy. It is therefore proposed that on this question you should recommend that the new Council and School Boards should take over the employees of the existing Councils and School Boards and where they can meet the requirements of the enlarged unit should continue them in the same status which they now hold. In the case of any employee who cannot meet the requirements of the enlarged unit to qualify for a position of the same status as that which he now holds there should be a provision that he will be offered a position for which he can qualify at a salary that is as close as possible to that which he is now receiving. All seniority and pension rights of employees taken over in this way should be preserved. Persons who cannot immediately meet the qualification standards should be given a reasonable time to study or to take training in order to qualify.

#### Financial Position of Strathcona Municipal District.

In any proposal for changes in municipal boundaries which would have the effect of transferring a substantial part of one municipal unit out of that unit, it is necessary to take into account the effect upon the financial standing of the unit which will continue.

In the case of the Municipal District of Strathcona the proposed changes in boundary would remove about 5% of the area but that small part of the area contained in 1954 about 80% of the total assessment. In terms of population and municipal expenditures the area proposed to be removed from Strathcona represented in 1954 about 20% of the population and about 25% of the expenditures.

It is at once obvious that a municipal unit which loses 80% of its assessment and only 20% of its population will be forced to a complete



reorganization of its finances and its public works and school construction programs.

Considerable discussion took place at your hearings concerning the extent of the mill rate increase which would result in the rural parts of Strathcona if this boundary change was put into effect.

As a background to this discussion it is essential to keep in mind the mill rates which have applied in Strathcona and its neighboring municipal districts for the last few years. Exhibit 57E gives the data for Strathcona since 1947 and Exhibit 82E gives the data for surrounding Municipal Districts in 1952 and 1953.

In connection with these figures it should be pointed out that assessments in all these Municipal Districts are done in accordance with the same manual and under the supervision of the Provincial Department of Municipal Affairs. Consequently as pointed out at page 4530 of Transcript it is probably safe to assume that the differences in mill rate give a satisfactory indication of the burden of municipal taxation on farm property.

If one considers only the total mill rate for school and municipal purposes one does not become involved in the question of special hospital levies which reflect special situations in certain areas. The data with respect to the total mill rate for school and municipal services is as follows for 1953 and 1954 (Exhibit 82E).

|             | <u>1952</u> | <u>1953</u> |
|-------------|-------------|-------------|
| Beaver      | 51.4        | 50.2        |
| Leduc       | 44.2        | 50.0        |
| Lamont      | 43.1        | 47.0        |
| Strathcona  | 33.0        | 33.0        |
| Stony Plain | 48.8        | 55.3        |
| Sturgeon    | 43.1        | 45.2        |
| Morinville  | 50.0        | 49.0        |



Exhibit 57E shows the details of the Strathcona rate as follows:

|      | <u>School and<br/>Municipal</u> | <u>Hospital</u> | <u>Total</u> |
|------|---------------------------------|-----------------|--------------|
| 1947 | 44                              | --              | 44           |
| 1948 | 45                              | --              | 45           |
| 1949 | 41                              | --              | 41           |
| 1950 | 43                              | --              | 43           |
| 1951 | 33                              | 1               | 34           |
| 1952 | 33                              | 1               | 34           |
| 1953 | 33                              | 1               | 34           |
| 1954 | 24                              | 1               | 25           |

Two fundamentally different approaches could be adopted in regard to future budgets of an area. One would be to say, "This is what the Council and School Board of the area will want to spend and this will be the probable mill rate". The other approach would be to say, "This is the amount of money which would be available at a certain mill rate but the Council will of course be responsible for deciding what the rate will actually be".

Exhibit 188E adopts the first approach and on that basis a rate of 68 mills is indicated.

Exhibit 213E adopts the second approach and shows that a rate of 46 mills would probably cover school expenditures of \$200 per student for 1,700 students in Cloverbar plus ordinary municipal expenses and leave about \$215,000 for public works purposes. It is significant that a public works program of that amount would be only \$60,000 below the program for 1953 for the whole municipal district. It should be emphasized again that Exhibit 213E is not an attempt to say what the budget of Strathcona will be or should be. It is purely an attempt to show how much would be available for public works and education at the mill rate specified.

The information available to your Commission is not sufficient to permit the forming of a definite opinion as to whether the Municipal District of Strathcona and the School Division of Cloverbar covering the Town of Fort Saskatchewan and the M.D. of Strathcona could adequately



carry on with revenue from the assessments which will be available to them from property now located there or in prospect for the near future.

It should not be overlooked however that the assessment data in the area would be approximately as follows on the basis of the most recent data available:

|                                                            | <u>Population</u> | <u>Assessment</u> | <u>Assessment<br/>per capita</u> |
|------------------------------------------------------------|-------------------|-------------------|----------------------------------|
| <u>Present Boundaries</u>                                  |                   |                   |                                  |
| Edmonton                                                   | 197,836           | 198,744,000       | \$1,000                          |
| Jasper Place, Ex. 92E                                      | 13,307            | 7,143,620         | 650                              |
| Beverly, Ex. 99E                                           | 3,600             | 2,332,300         | 540                              |
| Strathcona, Ex. 187E                                       | 8,200             | 37,460,600        | 4,570                            |
| <u>Proposed Boundaries</u>                                 |                   |                   |                                  |
| Enlarged City, Ex. 171E                                    | 218,141           | 224,744,000       | 1,030                            |
| Balance of Strathcona, Ex. 189E,<br>Transcript page 3982   | 6,560             | 10,907,000        | 1,660                            |
| Balance of Cloverbar, Ex. 151E<br>and Transcript page 3982 | 8,760             | 12,590,010        | 1,440                            |

The assessments per capita in 1953 were given at page 6 of Exhibit 2E and there is no reason to think the figures for adjoining municipal districts have changed materially from those shown there, namely:

|             |         |
|-------------|---------|
| Sturgeon    | \$1,090 |
| Morinville  | \$1,190 |
| Stony Plain | \$1,070 |

It has been suggested by several parties that you should recommend a subsidy from the province to assist in carrying local government units through the re-adjustments which are inevitable in the next few years. At page 43 of Exhibit 155E Strathcona suggests a grant to Edmonton on this basis.

It is submitted on behalf of the City that if any grants of this type are considered they should be used as a means to make easier the transition to a more satisfactory and more equitable local government set-up. They should not be used merely as a means of making "temporary repairs"



to an administrative set-up which has been outgrown already and which will be further outgrown in the next few years. In other words any grants of this sort should go to those who are considered to need them under a new rational boundary and administrative scheme designed to serve the area for many years to come. Under those circumstances it may be desirable that special provincial assistance should go to Strathcona as the area which has had its tax base reduced.



### Urgency of the Situation

On page 2 of this statement it was pointed out that the population of this area has been growing at the rate of almost 15,000 per year and that there is no sign of any significant slowing down of that rate of growth.

Exhibit 121E shows that at December 31st, 1954 there were within the present City boundaries only 1171 acres of residential land which was not at that date either developed or allocated. This same exhibit shows 1790 acres of greenbelt area on the north side and some or all of this could of course be diverted to residential use but even the total of these items is only equal to about four years growth at the present rate.

Exhibit 176E, on the other hand deals with vacant lots. In other words it covers all lots which are not now allocated plus those which have been allocated for development but upon which no improvements have yet been made. At the rate of 2500 lots per year that exhibit would indicate a limit of about 5 years to absorb all residential building lots within the present boundaries of the City including those in the north-side greenbelt.

The evidence of several witnesses makes it clear that there are areas outside the present boundaries of the City which by the test of cheapness of development and desirability of location should be developed in priority to much of the remaining vacant property within the City boundaries. Consequently it is urgently necessary that a decision be reached whether housing accommodation is to be forced to develop every available lot within the present City or whether outside areas are to be opened up.



The first unit of the new sewage disposal plant is to be built this summer and many of the trunk sewers to serve it are to be built. It is urgently necessary that a decision be reached as to the areas which are to be served by the new sewers. For example it is necessary to know whether sewer facilities must be increased in the north west corner of the City or whether more easily served areas to the south and east are to be developed.

The question of coordination of road construction and design in and adjacent to the industrial areas in the south east corner of the City and the adjoining areas of Strathcona was discussed in transcript beginning at page 4419 and at page 4614 . From that discussion it is obvious that a more adequate coordination is necessary and that the coordinating authority must have financial resources as well as power in respect to location.

Commencing at page 4195 of Transcript there is a lengthy discussion of the engineering aspects of the supply of water to the areas of Strathcona lying close to the City of Edmonton. From that discussion it is clear that decisions must be taken quickly as to the design and location of added water facilities especially along highway 14 east of the City.

All these matters are important and it would be possible to prepare a much longer list of administrative matters in which decisions must be taken either jointly or separately. But much more important to the welfare of the area and to the welfare of the whole of the province is the uncertainty and confusion in the minds of the public and in the minds of the



the managers of potential new industries which are considering a move into the area.

At page 3273 of Transcript there is a statement that inquiries received by Strathcona have decreased very sharply in numbers since your Commission was appointed and especially since the maps of the proposed enlarged area were distributed. There can be no doubt in anyone's mind that the holding of an enquiry such as this will cause many people to hesitate about moving into the area until the final result is known. It is certain that a decision either good or bad is from this point of view preferable to a long period of confusion and controversy.

Any public enquiry has as one of its important functions the providing of information to the public through the press and radio and it is inevitable that under those circumstances some statements will become overdramatized and will create impressions in the public mind which may be very difficult to eradicate. In its decision on the Brantford annexation the Ontario Municipal Board at page 849 of Ontario Weekly Notes of December 3, 1954 makes this comment:

"Of paramount importance is the necessity for avoiding for a long period of years a repetition of the confusion and controversy involved in another major annexation proposal and the serious interference with the orderly administration of local affairs which cannot be avoided when important boundary changes are made".

The Board might well have added that this happens even if important boundary changes are proposed. It might also have added that it is of paramount importance to shorten as



much as possible the period of indecision as well as to avoid a repetition of the confusion and controversy.

It is therefore of the utmost importance to all concerned that a final and firm decision should be taken as quickly as possible. It is of even greater importance that the decision be one which will be recognized as durable so that there will be no need for another Commission for many years. In the words used at page 23 of the presentation of October 12:

"the job should be one which looks forward for many years. Any doubts should be resolved in the direction of taking a wide area rather than in the direction of over-caution which might lead to a repetition of the present difficulties in only a few years".

It is therefore suggested that the situation is urgent in two different senses. It is urgent that a decision should be reached as to who will be responsible for dealing with a number of vital problems which must be dealt with very soon. It is urgent that a decision should be reached which will bring the present discussion to finality and allow the community and its citizens and its industrial growth to proceed on a foundation which is likely to last for a considerable number of years. This is not merely a request that your Commission should present its report as quickly as possible. It is a request also that your report should make it clear that at the earliest possible date the Legislature of the province should make a firm decision on the question and that that decision should be one which will be clearly recognized as stable and as setting the pattern of local government for this area for a



considerable period of time. And it is a request that there should be established a recognized pattern of future adjustments of municipal boundaries which will provide for continuous growth and adjustment without the need for the major upheaval in local government which has been occasioned by the delay in taking action in the past.

#### Effective Date

This discussion of the urgency of the situation leads naturally to a consideration of what would be the most desirable date for making effective whatever changes are to be made.

At first glance it would appear that any change should be made effective at the beginning of a new calendar year. From the point of view of neatness and convenience of accounts there is much to be said for that date.

On the other hand neatness and convenience of accounts should not be allowed to delay steps to transfer effective administrative control at the earliest possible date. In that regard it is significant that a number of recent boundary changes have been made by the Public Utility Board of Alberta at dates which do not correspond to the year end for tax and municipal financing. For example the area commonly referred to as Terrace Heights was added to the City of Edmonton by Order No. 15272 Exhibit 204E based upon a hearing on February 24th, 1954. That order is dated March 2nd, 1954 and the first operative paragraph of it reads:

"It is ordered that, subject to the aforementioned conditions, the following parcel of land be annexed to The City of Edmonton..."



Administrative responsibility was therefore transferred from the date of publication namely March 2nd, 1954. For the purpose of re-adjusting accounts etc. however the order carries a provision giving it retroactive effect back to January 1st, 1954.

A similar arrangement was followed in Order No. 15371 Exhibit 51E dated April 23, 1954 which transferred N.E. 16 - 52 - 24 W4 from Strathcona to Edmonton. In that case administrative responsibility was transferred on April 23rd, 1954, but retroactive adjustments were to be made back to December 30th, 1953.

It may be argued that the new council of the area should not be asked to take over and administer a budget approved by its predecessor. This is the principle followed in the towns, villages and municipal districts of Alberta where elections are held in March and the new council takes over and finds its first business to be the decision as to the budget and mill rate for the year. There is much to be said for this procedure and to adopt it would mean providing for the election of the council of the enlarged City at about the date at which elections are normally held in Jasper Place, Beverly and Strathcona. The council so elected would take immediate responsibility for administration and for the budget for the year and if necessary a retroactive feature could be included which would allow consolidation of all accounts back to the first of the year.

Still another alternative would be to provide that at a certain date a new council would be elected to be respon-



sible for the area from that date but that this would be accomplished by giving to the new elected body all the powers and duties of the separate councils of the area so that the separate administrative organizations could continue to function until consolidated at the end of the year.

The choice as to which technique might be used to implement the changes will depend very greatly upon the season of the year at which the final decision is reached. If the decision is taken in the fall then elections could be held before Christmas and responsibility could be transferred at the year end. If on the other hand the decision is taken in January or February an election might be called immediately and a retroactive feature might be included as in the two orders cited. If the decision is taken in the spring when construction programs are already underway and budgets have been set it may be wise to transfer administrative responsibility at an early date but to continue the separate administrative organizations until the summer programs have been completed and until taxes have been collected.

To paraphrase the Brantford decision the objective could be stated thus:

Of paramount importance is the necessity for avoiding a long period of confusion and controversy and uncertainty and the serious interference with the orderly administration of local municipal affairs which cannot be avoided when important boundary changes are under discussion. It is therefore urged that your recommendation should impress upon the government the great



importance of an early decision and should suggest a method of implementation which will transfer responsibility to the new council at the earliest possible date.

### Conclusion

In concluding this Final Statement it is proposed that attention should be drawn to the manner in which many of the arguments against the establishment of an enlarged city are self-contradicting.

It has been argued before you that the real objective of the City in these hearings is to "grab the tax revenue from Strathcona industry" and at the same time it has been argued that the proposals would cost the City a tax increase of over 6 mills. Obviously the proposals can't do both.

It has been argued before you that Strathcona needs the industrial assessment to pay the cost of municipal services for the housing it is going to develop for the plant employees and at the same time it has been argued that no residential development will happen which would be large enough to aspire to the status of a town or village. Obviously one of these arguments must fail.

It has been argued before you that industry in the Strathcona area is entitled to the benefit of a low mill rate because it located there in the expectation of a low mill rate and at the same time it has been argued that the mill rate is going to go up to 28 mills in 1955. Obviously the mill rate can't go down and at the same time go up.

It has been argued that the problems of co-ordinating development in the City and its surroundings can be dealt with



by a strong regional planning body and by agreements between the separate municipalities and at the same time it has been argued that every council must be independent and have the full democratic right to act for its own residents alone. Obviously councils cannot be part of a joint arrangement and at the same time be completely independent.

It has been argued that no change of boundaries should be made because the people now living in Strathcona oppose the change and at the same time it has been argued that the part of Strathcona west of 50th Street could be added to the City immediately even though the residents oppose such a change. Obviously those two points of view cannot be reconciled.

It is submitted on behalf of the City of Edmonton that none of these arguments touches on the real basic issue. It seems to be agreed by all that Jasper Place and Beverly cannot continue as separate units depending almost entirely upon revenue from residential taxation. They must become part of a larger unit or units which contain substantial commercial and industrial assessments. It seems to be agreed also that the total population of this area will continue to grow rapidly so that very large numbers of people will in the next few years locate outside the present city limits many of them in areas which are now part of Strathcona.

It is submitted therefore that the real question for your decision is:

"Would the residents of this area be better served by one overall administration responsible to voters over the whole area or would they be better served by two competing administrations one based upon the present



City of Edmonton and the other based upon the Strathcona industrial area?"

Exhibit 155 E submitted by Strathcona comes close to recognition of this issue when it proposes that Beverly should become part of the Cloverbar school division. Whatever logic there is in that suggestion with respect to schools would appear to apply also to other municipal services. Carried to its logical conclusion this would mean one City consisting of Edmonton and Jasper Place and another City consisting of Beverly and the industrial area of Strathcona. Each of these urban units would be associated with and responsible for certain adjacent territory.

There is no need to repeat here the arguments which indicate that one administration can more efficiently and more effectively guide the rapid growth of this area. These have been presented at great length by many witnesses. It is, however, important to re-emphasize the point made at page 5 of this Statement where attention was drawn to the opinion expressed by the Edmonton Housebuilders Association concerning the possibility of creating a new organization for housing development in the short space of 2 or 3 years. But the alternative to enlarging the City boundaries may be to force the creation of a second complete City administration not merely a second organization for housing development.

Finally it may be well to re-emphasize the attitude taken toward the duties of your Commission as set forth in your terms of reference.

You are Commissioned to conduct an "inquiry into the administration and financing of school and municipal



services in the City of Edmonton and surrounding areas and the City of Calgary and surrounding areas and:

1. To recommend the boundaries and the form of local government which will most adequately and equitably provide for the orderly development of school and municipal services;
2. To recommend any practical measures which may be taken in the interest of the ratepayers and citizens generally with respect to the administration and financing of school and municipal matters and the form of government recommended for the areas under review;
3. To hear representations from any and all interested bodies and to give consideration to any other factors relevant to the establishment of the boundaries, the form of local government, equitable distribution of costs and the orderly development of the areas".

Under those terms of reference you have authority to deal with almost any aspect of local government but it is submitted that your primary responsibility is to deal with matters which concern the two major cities and their environs as distinct from the rest of the province. Within that orbit it is submitted that your primary responsibility is to recommend the boundaries and forms of local government and the primary test which you are to apply is that the boundaries and forms of local government should provide for the orderly development of the areas under review namely the two major cities and their environs.

It is submitted that your primary responsibility could be stated equally well in the terms that you are charged



with the duty of recommending the method of creating a viable and flexible democratic municipal government for the major urban areas of the Province but you are not asked to recommend the policies which that government should adopt on particular matters under its control. Your problem is to create a local government. It is not your problem to determine the policy of that government.

The distinction between these two approaches to the situation can be illustrated by reference to one of the subjects considered before you at some length.

At one point in your hearings a brief was presented which, among other things, asserted that a particular parcel of land was unfairly treated because it was classified as greenbelt by the Edmonton District Planning Commission. That discussion very quickly passed to a consideration of whether or not there should be a greenbelt around the City. In turn that led to a discussion of who should be responsible for deciding whether there should be a greenbelt.

It is obvious that your Commission could not become involved in the question of whether or not a particular parcel of land should be zoned greenbelt. To do that would involve you in all the details of local government in the area.

It is submitted that it is also obvious that your Commission should not become involved in the discussion of whether or not there should be a greenbelt. It is submitted that the really fundamental questions are "What Body should decide whether there should be a greenbelt?" and "How should the people of the area select the members of that Body?"



In other words it is submitted that your primary objective should be to define responsibilities;

(a) by defining clearly the geographic areas which are to be considered urban,

(b) by defining clearly the duties and powers of the elected bodies responsible for that area,

(c) by defining clearly the method by which the residents of the area shall select the members of the elected bodies responsible for the area,

and to see that the elected bodies so created are viable in the sense that they have access to acceptable revenue sources and flexible in the sense that they have room to develop and to accommodate the rapidly growing industry, commerce and population of the urban area.

The proposal outlined to you by exhibit 167E is designed to meet these tests and the other proposals made on behalf of the City of Edmonton by various exhibits and restated in this Final Statement are designed to supplement and amplify the fundamental proposal for an enlarged City with responsibility in the hands of one council, one Public School Board and one Separate School Board elected over the whole area with each resident in the area having equal voting rights and equal tax responsibilities.

Respectfully submitted

On behalf of the City of Edmonton

ROBERT E. MOFFAT  
Economic and Financial Consultant



P R E S E N T A T I O N

on behalf of

T H E C I T Y O F E D M O N T O N

to

R O Y A L C O M M I S S I O N O N  
M E T R O P O L I T A N O R G A N I Z A T I O N

OCTOBER 12, 1954

SUBMITTED BY

ROBERT E. MOFFAT, M.A. LL.B  
ECONOMIC and FINANCIAL CONSULTANT



Presentation on Behalf of The City of Edmonton

to

Royal Commission on Metropolitan Organization

This statement is presented to you in elaboration of the basic attitude of the City of Edmonton, which has been well known for some time and which was re-stated in its essentials by Mayor Hawrelak in his opening remarks. Reduced to its barest essentials the attitude of the City is that the time has arrived when municipal boundaries should perhaps be re-arranged so that one municipal government will be responsible for the entire area covered by the integrated industrial, commercial and residential community of Edmonton and its neighbourhood and within those boundaries should be sufficient room to allow for substantial further growth which may occur before boundaries are again re-arranged.

In the accelerated industrial expansion period of the City of Edmonton, the Government of Alberta recognizing that a problem of unbalanced residential, commercial and industrial taxation is arising in what may be termed the greater metropolitan area, has appointed a Royal Commission to review the problems that are arising in metropolitan areas and to recommend possible solutions for them.

It appears that as a result of the experiences of other cities growing industrially somewhat similar to that of Edmonton, it was found necessary to combine these unbalanced separate areas into one larger area. The situation existing in Edmonton is that because of geographical and other factors, much heavy industry has established itself on the East side of this metropolitan area, but people working in this area have established their residences on the West side of this so-called metropolitan area as well as in Beverly in the North East. The result of this has been and is, that Jasper Place and Beverly are predominantly residential in assessment,



whereas a part of Strathcona Municipality has become predominantly industrial in assessment.

In somewhat the same manner Edmonton lying between these areas has industries in which people of Jasper Place and Beverly work but also it houses many of the people that work in the industrial area of Strathcona. One of the problems, therefore, is that of combining these areas so as to provide a balanced assessment with a proper ratio of industry, commercial property and residences; this in turn will make possible a more uniform measure of services (i.e. schools, streets, sewers, transportation etc.) in the entire area from sources of revenue obtainable from within that area.

This brief will outline more fully the nature of the administrative reorganization which will be necessary to achieve this purpose. This first statement will not, however, attempt to deal specifically with every aspect of the matter. The plan is, that it will outline the general proposal in sufficient detail that others will be able to make intelligent comments upon it. When the comments of others have been presented to you and when you have received any different proposals which may be offered and when there has been an opportunity for considerable public discussion of the various alternatives, the City would like an opportunity of coming before you again to review the situation as it appears in the light of developments and discussions in the interval and to deal in more detail with some of the matters which will require disposition.

#### Background, History and Development

The history of the growth of the Edmonton area is well known to the members of your commission and for that reason there is no need to use any great amount of your time in repeating facts which are already known. It is, however, necessary to recall certain background information in order that the social and business context will be fresh in the minds of those



who consider the proposals which are made.

In terms of history, the City of Edmonton is one of the newest cities of the world. Its entire growth has occurred in the last 60 years and its most rapid growth has occurred in the last 10 years. The population growth of the city has been as follows:

|      |   |        |      |   |         |
|------|---|--------|------|---|---------|
| 1901 | - | 4,176  | 1936 | - | 85,696  |
| 1906 | - | 14,088 | 1941 | - | 93,817  |
| 1911 | - | 31,064 | 1946 | - | 113,116 |
| 1916 | - | 53,846 | 1951 | - | 158,709 |
| 1921 | - | 58,821 | 1952 | - | 169,196 |
| 1926 | - | 65,163 | 1953 | - | 183,411 |
| 1931 | - | 79,197 | 1954 | - | 197,836 |

This is the record of population growth within the boundaries of the present City of Edmonton. The growth in the immediately surrounding area has been important also especially in the last few years.

|                        | <u>Jasper Place</u> | <u>Beverly</u> |
|------------------------|---------------------|----------------|
| 1951 Dominion Census   | 9,139               | 2,159          |
| 1954 Assessment Census | 13,307              | 3,548          |
| % increase             | 46%                 | 64%            |

Figures are not available to show the population in the adjacent urban sections of municipal districts but it is clear that the total of these plus Edmonton, Jasper Place and Beverly contain a population which is rapidly approaching the figure of 225,00.

Like every other city in North America, this area is closely linked by a net work of telephones, automobile roads, and public transportation facilities. Persons residing in one part of the area can move in a matter of minutes to any other part of the area and the location of residence has very little relationship to the location of employment or the location at which shopping and entertainment takes place. The result is that residents anywhere in this community look upon themselves as part of the community as a whole and pay very little attention to municipal boundaries.

These features are common to all urban centres which have fully developed the communication facilities which are provided by automobile,



telephone, bus and street railway. In addition, the Edmonton area has within the last 10 years received a tremendous inflow both of population and business resulting from the fact that it has suddenly become the centre of a vast new industry based upon petroleum and petroleum products. The persons and the firms engaged in this industry have located their residences and places of business with an eye to convenience to the transportation facilities available and to the services provided by the downtown section of the City. In some cases this has led to location within the older parts of the City. In other cases, it has led to location in newly developed areas. The significant point in this connection is that these new businesses and the persons associated with them have come to this area because of the natural resources which have been uncovered and because they seek the convenience and comfort which goes with location in a large city. They have been very little influenced by considerations of municipal or other local government boundaries.

It is a common-place to assert that modern communication has led to close integration of social and business life over an area much larger than that which existed before the full development of the telephone and automobile. In the case of the Edmonton area, this integration is particularly complete because such a large proportion of the City's population and business has come here in the years since these inventions achieved full development.

This recent sudden growth in population and business has, therefore, led to a community life which is even less conscious of traditional boundaries than in most cities. In addition, this recent sudden growth has involved a tremendous need for capital investment in the basic capital goods of a great city such as streets, sewers, bridges, water mains, school buildings, hospital buildings and the like. The need for large expenditures



in these items has been caused by the location in this area of the petroleum industry and its satellites. It is fundamental that those who receive the products of that industry should pay their fair share of the costs of the new facilities by contributing a reasonable share of the tax revenue of the municipality which provides them.. It is also right that this great public program should be administered by an organization created to fit the needs and attitudes of the present residents of the area and should not be bound to observe divisions and separations which were set up to meet the conditions of a much smaller population.

#### City Attitude

For these reasons, the representatives of the City of Edmonton are particularly pleased that your commission has been created at this time and has been given unlimited powers to consider and recommend the nature of the local government administration to be responsible for this area in the future. As already stated by Mayor Hawrelak, they consider that the first principle which should guide your deliberations is that you should seek an organization which will produce equality of treatment for all persons and all businesses in the area. In particular, they feel that all persons in the area should have an equal voice in the government of the area, that the standards of public services available to the residents of the area should be, so far as possible, equal in all part of the area and that all persons and businesses in the area should be expected to bear an equal share in the cost of local government services.

But equality in the above sense could be achieved by means which would have a restricting and deadening effect on the future growth of the area. The City is particularly anxious that this should not occur and consequently they strongly urge that you should adopt a plan which will conform with the principle of equality but which will also contain room for



flexibility and future growth both in population and in commercial areas and in industrial areas. They feel that provision for a balanced growth within the new boundaries is essential if any reorganization is to be successful.

### Present Inequalities

At present there are great inequalities in many aspects of these matters. For example, residents of Jasper Place and of Beverly have no right to vote on elections held in the downtown area. Similarly, residents of the surrounding municipal districts have no right to vote in elections held in the downtown area or in Beverly or in Jasper Place. In paying the cost of local services residents of the City of Edmonton can count on a very substantial contribution from business and industrial plants whereas the residents of Jasper Place and Beverly must depend almost entirely upon taxes levied on dwelling houses. In the case of the large petroleum and chemical plants located in the municipal district of Strathcona, the local taxes are received by the municipal district of Strathcona and the school district of Cloverbar while the vast majority of the employees of the plants reside in Edmonton, Beverly or Jasper Place with the result that the cost of schools, roads, sewers, etc., must be met out of tax revenue which receives no contribution from the plants involved.

This situation is well known to anyone who has visited the area and taken the trouble to locate the boundaries of the municipalities and school districts. Its importance is clearly apparent when one realizes that 1953 municipal assessments per capita in the area were as follows:

#### Assessment Per Capita - 1953

|              |        |
|--------------|--------|
| Edmonton     | \$ 990 |
| Jasper Place | \$ 490 |
| Beverly      | \$ 620 |
| Strathcona   | \$3050 |
| Sturgeon     | \$1090 |
| Morinville   | \$1190 |
| Stony Plain  | \$1070 |



In this connection, it is of interest to note that if one eliminates from the assessment for the municipal district of Strathcona, the assessment on the new large plants the remainder produces an assessment per capita of approximately \$1150 which is about in line with the assessment per capita in the balance of the area with the exception of Jasper Place and Beverly. It compares quite closely with the average assessment per capita of all municipal districts in the province.

These figures make it clear that the residents of Jasper Place and Beverly have good cause for their claim that an unfair burden of local taxation falls upon home owners within their boundaries because they have no significant amount of business and commercial property upon which taxes can be levied. Detailed figures could be provided to substantiate the degree of inequality in the area but there is little need for accounting or statistical proof because the scarcity of streets, sidewalks, sewer and water in those two municipalities clearly demonstrates the extent to which municipal resources are being used for education. In this connection, it is significant that the Edmonton School Boards are spending an average of about \$200 per student per year and that this alone would absorb more than the total of all taxes on residential property.

#### Alternatives Available

Three possible approaches are apparent to any person who considers the steps which might be taken to deal with this situation, namely;

- (a) to continue the existing structure of local government supplemented by voluntary agreements between them to deal with particular problems.
- (b) to create an administrative body elected by voters over the entire area and make it responsible for local services within the whole area.



- (c) to create a new administrative body with jurisdiction over the entire area for certain specific matters while retaining the present administrative bodies with responsibility for matters not assigned to the area council.

Each of these approaches has been tried by those responsible for dealing with similar problems in other cities. No one of them is a complete answer and regardless of which general approach is adopted, it has always proved to be necessary to re-assess the situation after a few years in the light of population growth and other changes in the community. For these reasons, it is suggested that your commission should seek the approach which offers the best promise of providing a satisfactory mechanism for dealing with local government problems over the next 20 or 30 years. Your efforts would be largely wasted if they did not lead to action which will prove acceptable for a period of well over 10 or 15 years. On the other hand, it would be futile to attempt to foresee the indefinite future of this community.

#### Voluntary Agreements

In view of the great inequalities in size, in tax resources, and in probable future development a solution on the basis of voluntary agreements between the administrative bodies which are at present in existence will probably not be satisfactory. There has always been excellent co-operation between all municipal bodies in the area and the city officials are sure that such co-operation would continue in the future. But for certain municipal services, in particular for main arterial roads and for the provision of sewer and sanitation facilities, it is necessary that one overall co-ordinating body should be responsible. Furthermore, this body should be responsible directly to the voting public of the entire area. In that way it will be forced to give equal attention to all parts of the area and will be much less subject to claims for special treatment to one section



which happens to contribute a larger proportion of tax revenue. As illustrated by the assessment figures quoted above, one of the primary issues is that of a greater measure of equality as between the tax revenue available to the different communities and one can scarcely be hopeful that this could be permanently solved on a basis of voluntary agreements.

For these reasons, any suggestions that the residents of this area will be satisfactorily served by a series of agreements between the existing municipal bodies cannot be accepted.

In other cities which have dealt with similar situations, this proposal of voluntary agreements has always been the proposal made by those who wish to retain the status quo. It usually reflects a situation in which the proponents of voluntary agreements feel they are in a favored position and wish to retain that position while not rejecting outright the demands of the less fortunate municipalities in the area. It was tried over a long period in the Toronto area and it recently broke down to such an extent that a lengthy enquiry was held by the Ontario Municipal Board followed by a major reorganization of the 13 municipalities in the Toronto area. In reporting the results of its enquiry, the Ontario Municipal Board records that after its incorporation in 1834 the boundaries of Toronto were periodically extended until the absorption of the three towns of East Toronto, West Toronto and North Toronto in 1909, 1910 and 1912. From that date until very recently Toronto actively opposed any suggestion that its boundaries should be further extended. Instead, it entered into a great number of ad hoc agreements with surrounding municipalities in attempts to deal with specific matters. In commenting on this policy the Board in its report dated January 20, 1953, at page 20 says:

"With the rapid growth of the separate municipalities their relationships with neighbours naturally become more and more important and an increasing number of inter-municipal arrangements for the supply of services



or the construction of specific public works became necessary. It was shown that between 1915 and 1950 no less than one hundred and sixty-three agreements of various kinds were made between two or more municipalities. Under some of these agreements the city undertook to supply such services as water or sewage and drainage outlets for entire municipalities such as Leaside and Forest Hill, or for carefully defined areas or **even a single property**. Other agreements provided for the construction of costly bridges and viaducts which in some cases were erected entirely beyond the city limits, and watermains running through portions of adjoining municipalities which were needed to serve distant sections of the city. Important agreements were made by the Toronto Transportation Commission with various suburbs for the provision of public transportation beyond the city at the risk of the contracting municipality. These agreements, although very numerous in view of the number of municipalities concerned, did not represent any real change in the spirit of jealous independence which unfortunately seems to have been the traditional attitude of both the city and the suburbs throughout."

As late as 1931, serious consideration was given to a proposal to add the whole of the township of York and East York to the City of Toronto but the city opposed the plan on the grounds that it offered no clear advantages to the city. Regarding this decision, the Ontario Municipal Board remarks at page 13 of the aforementioned report:

"It must also be pointed out that before the lengthy hearings of the present applications ended, it became evident to the board that many of the existing problems of the city and the suburbs alike must be attributed to the policy which the city followed for many years before and after the adoption of the 1931 report ..."

#### Area Council while Continuing Present Councils also

As a result of the Ontario Municipal Board report, the Toronto area underwent a major reorganization. The new setup is based upon the creation of an area board with certain specified powers and responsibilities while retaining the local councils with responsibility over other matters. This arrangement has been set up in an area which contains approximately 1,250,000 people. It has produced a complex structure of municipal



government which appears to meet the problems which are most urgent in that area but a system of this complexity is scarcely required for an area which contains about one-fifth of the population of the Toronto area. Furthermore, the adoption of a system modelled on the Toronto plan could only be extended to part of a municipal district if the entire district were brought under the plan or if the municipal district were divided so that a new urban type council could be established in the part of the municipal district closest to the city. It is significant also that discussions have already begun which look to the transfer of more and more responsibilities of the Municipality of Metropolitan Toronto so that the local councils will be left with even less function than at present.

#### One Municipal Council for the Area

One council responsible for all municipal services within a defined area is by far the most common structure of municipal government. Indeed it is the system which operates in every locality unless very special circumstances have justified a more complicated structure. Consequently, in any discussion of altered municipal boundaries any proposal for a different structure must meet the heavy onus of proving special circumstances which justify a departure from the almost universal pattern. With the exception of Toronto and Montreal, no other cities in Canada have adopted an overall system of co-ordinating services in the city and suburbs except upon the basis of integrating all services under one elected council. In recent years, the boundaries of Ottawa, Hamilton and Windsor have each been extended in this manner to bring the city and suburbs under one council. In the period up to 1914, this same approach was adopted in Toronto, Montreal and Winnipeg and of course in Edmonton itself, this approach was followed when the north side and the south side were brought together. It is highly significant that regardless of the degree of



opposition when amalgamation of this type was proposed, there has never been in Canada, an example of a community where the process has been reversed to re-establish the amalgamated areas as separate bodies after they have once been included within the extended boundaries of a city.

The statement of the Ontario Municipal Board has already been quoted where they expressed the opinion that the difficulties of the Toronto area could be traced to the policy of refusing after 1912 to bring together the city and suburbs.

It is, therefore, suggested that the Edmonton area would be best served by a complete amalgamation under one municipal council of all municipal functions within the area. The specific boundaries which should be covered by the new municipal area would require careful consideration both from the viewpoint of immediate financial considerations and from the viewpoint of long run potential growth. That is a subject upon which considerable further study will be required. It seems clear, however, that the approach should be in terms of one municipal council for the area.

The boundaries selected should apply to both municipal and school administration and within those boundaries there should be a Public School Board, a Separate School Board and a Municipal Council each of which would be responsible for matters within its jurisdiction over the entire area. This is not a proposal that the surrounding areas should be added "piece-meal" to the existing administration of the city. Rather the proposal is, that three new boards should be elected by all qualified voters in the area and at a specified date they should take over the present responsibilities and powers and the present assets and liabilities of all the boards in the area concerned. All administrative arrangements, staffs, etc., would be taken over unchanged by the new Boards and each of the new Boards would then work out an efficient and effective administrative setup for its own purposes.



The period taken to make such reorganizations might vary quite sharply as between the different boards and as between the different administrative units of existing boards. The nature of the existing administrative machinery and the type of problem concerned would determine the time needed for this purpose. For example, it is clear that uniform assessments would be required as quickly as they could be prepared but it is possible that tax collection staffs or water works maintenance staffs might be left unchanged for a lengthy period. During that interval each administrative organization would continue to function as in the past except that all elected officials in the present boards would be replaced by having their duties and powers assigned to the three new boards.

#### Probable Cost

In presenting such a far reaching proposal as this, it is realized that the first question must be that of the probable cost of the changes suggested. In attempting to prepare any estimate of costs, it seems reasonable to assume that the new area boards would adopt policies and standards of school construction, street construction, welfare assistance, etc., which are not greatly different from those now followed by the administrations serving the City of Edmonton. Estimates have, therefore, been prepared upon this assumption and upon the further assumption that the new boards would provide over the new area, services at approximately the standards now provided in Edmonton city and would levy taxes on assessment levels and at mill rates now applying in Edmonton city. In fact, of course, the new council would be free to vary from such a policy at any time but any such variation would apply over the whole of the area. For present purposes the objective is to estimate the cost of establishing in the suburban areas a standard about equal to that in the city.

Each department head of the present city administration was



asked to prepare an estimate of the approximate cost of expanding the services of his department over the entire area of Edmonton, Jasper Place and Beverly. The question of the suburban areas of adjoining municipal districts was left for separate consideration and those are not covered in the following estimates. Calculations were made as to the cost of extending the city's level of current expenditures into Jasper Place and Beverly. In addition, estimates were made of the cost of the capital improvements necessary to bring streets, sidewalks, sewers, etc., up to the standard of comparable areas within the present city limits. It was suggested that approximately one-half of street and sidewalk improvements would be chargeable as local improvements against property owners and consequently the cost figure used to calculate the burden on general tax payers includes the balance of these items plus the storm sewer costs. The total so calculated was then included on the basis of the annual charge necessary to amortize the total over a 20 year period. On the basis of these assumptions, it is calculated that the cost to the new boards in respect to Jasper Place and Beverly would be between \$600,000 and \$700,000 per year greater than the amounts now being collected by those two municipalities from municipal taxes and other sources. Once the cost of the public works "backlog" has been paid the annual cost would of course be smaller.

With respect to probable revenues available to the proposed new boards a survey was made by the assessment department of the City of Edmonton which discloses that assessment levels on properties located in Jasper Place and Beverly are somewhat higher than they would be if the same properties were valued according to the assessment methods used by the city staff. Consequently, a re-assessment of these areas followed by the use of the mill rate now in effect in Edmonton, would yield revenues less than those which are now being collected. In addition, the provincial grants to the School Boards in Jasper Place and Beverly are relatively quite large and if these grants were reduced,



the result would be a further loss of revenue.

In the over-all result it, therefore, appears that the proposal would result in both higher expenditures and lower revenue collections in Jasper Place and Beverly. In total, it appears that a figure of \$750,000 per year would approximately cover the addition to cost and the reduction in revenue. This being the situation, it is apparent that if Edmonton, Beverly and Jasper Place were consolidated into one single administration, the result would be that about \$750,000 per year would require to be met from revenues which would not be available in those three municipalities at the present city mill rate. If there should be an attempt to meet this item by increasing the taxes on the residents of the three areas, the result would be additional taxes of about four mills in order to provide to the residents of Beverly and Jasper Place a standard approximately equal to that now in effect in the city. This extra tax burden would be somewhat lower if arrangements were made so that the new School Boards continue to receive the additional school grants now paid to Jasper Place and Beverly because of their low assessment per classroom.

It should be made clear at this point that the tax revenue reductions which would occur in Jasper Place and Beverly according to the above calculations are by no means uniform as between different properties. Consequently, the residents of those areas should not anticipate any general reduction in their taxes. Some properties would go up; other properties would go down. In total, reductions in general taxes would be more numerous than increases. On the other hand, a substantial part of the cost of any improvements to roads and sidewalks would become local improvement charges against adjoining property. Increases of this type would in many cases be greater than the reduction in general taxes. Consequently, no individual property owner could be sure that his particular property would be subject



to a lower tax. On the other hand, the standard of many local services would be raised immediately and streets, sidewalks and sewers would be improved as quickly as the work could be completed.

#### Viewpoint of Residents within Present City Limits

The above facts make it clear that a larger area covering Edmonton, Jasper Place and Beverly would be a costly step for those residing within the present limits of the City of Edmonton.

The residents of the city if they were to view matters purely in terms of their own immediate interest, would be forced to oppose any proposal for joint operation of municipal services on this basis extending over only the City of Edmonton and the towns of Jasper Place and Beverly unless they could see a new source of municipal revenue from which this added cost could be met. Furthermore, any such scheme would provide no real room for future growth and for the development of residential, commercial and industrial areas all within the one municipality and subject to the one set of municipal services and municipal taxes. The obvious conclusion to be drawn from this is that any over-all municipality must include the refinery and chemical area to the east of the city and must extend well beyond the present built-up area on the north, south and west. As a matter of dollars and cents, it is essential that tax revenue from the industrial area should be made available to cover the added costs referred to above. As a matter of future growth, it is essential that the boundaries extend outward on all four sides of the present built-up area. If such areas are included in the boundaries of the new municipality then the cost estimates quoted above must be increased by the estimated cost of providing municipal services in the additional areas outside the present boundaries of Edmonton, Jasper Place and Beverly. The tax revenue from the industrial area would, however, be substantially in excess of the added costs which would result from including parts



of the municipal districts in the boundaries of the new municipality. The amount by which this additional revenue would exceed the additional expense involved would depend, of course, upon the extent of the areas transferred from the municipal districts and the location which is selected for the final boundaries. Before a final decision can be reached, it will be necessary to calculate probable costs and revenues of these areas and to compare the result with the data for Jasper Place and Beverly.

These are the facts which the residents of the city must face before coming to any conclusion as to their attitude to these proposals but the issue is much wider than this. At least three other points of view must be analyzed:

- (a) What is fair to the residents in the area surrounding the industrial plants i.e. in the municipal district of Strathcona and the school district of Cloverbar.
- (b) What is fair to the industrial plants themselves.
- (c) What is fair for the whole of Alberta especially for other residents in the area outside the city and outside the municipal district of Strathcona and the school district of Cloverbar i.e. for the residents of Jasper Place, Beverly and the areas of Sturgeon, Morinville and Stony Plain close to the city.

#### Viewpoints of Residents of Strathcona and Clover Bar

The residents of Strathcona and Cloverbar will be the first to agree that the tax revenue from these plants does not "belong" to them in any sense that it was created by their efforts or by their particular circumstances. It is generally recognized that the location of these plants was determined primarily by convenience to the oil and gas fields and by such matters as convenience to transportation, convenience to the labour force and commercial and recreational facilities of a large city and convenience to an area in which urban residential accommodation could be quickly supplied. From these points



of view the location selected is highly advantageous, for this location can be reached by car or bus in a few minutes from any part of down town Edmonton or from all the new residential areas of the city. Looked at from this point of view, it is clear that the industrial plants "belong" primarily to the oil fields of Alberta, and to the commercial and residential areas of the City of Edmonton. It is clear that this connection is much closer and more vital than the connection between the plants and the residents of the municipal district and the school district in which they are located.

It may be argued, however, that since these plants are located within the municipal district of Strathcona and the school district of Cloverbar, the residents of those districts are entitled to receive the benefits at least to the point at which they can provide their people with a standard of municipal and school services up to the level of those available anywhere else in the area. No one will deny such an assertion. The fact is, however, that even if the area of the refineries and chemical plants were entirely out of the municipal district of Strathcona that district would still have one of the highest levels of assessment per capita in the province. The assessment figures for the municipal districts have already been quoted to show that the removal of the assessment on the industrial plants would still leave Strathcona with an assessment per capita that is above Stony Plain and Sturgeon and roughly equal to Morinville. Furthermore the large new nickel plant at Fort Saskatchewan has not yet been added to the tax roll and when it is added the total assessment of Strathcona, excluding the plants on the eastern edge of the city, would per capita be higher than the assessment per capita of the area of the proposed new metropolitan municipality.

Up to the present, expenses for municipal services in the urban sections of Strathcona Municipal District have not been too great but they are increasing rapidly. If an attempt is made to develop a separate administration



to deal with sewer, water, roads, fire, police, etc., in this separate area, it is clear that the result would be much more costly than if these services were added to and based upon existing services which are already covering about 200,000 people. Furthermore, if there is a rapid growth in the population of this area, the present municipal district and the present school district will be quickly faced by a secession movement, for experience shows that a substantial urban population in one corner of a rural municipality never remains long in that position before it seeks separation. To find an example of a development of this type one needs to look no further than the recent difficulties which led the residents of Jasper Place to seek separation from the municipal district of Stony Plain. Finally, if the industrial area and its surroundings continue to be part of a municipality which is not integrated into the proposed metropolitan municipality the residents of that area will find they have no voice in the affairs of the city at large and if they insist on remaining separate from the city they can scarcely expect the city to give them first consideration in the layout of its program of roads, sewers, water-works, etc.

#### Viewpoint of the Companies Owning the Plants Concerned

It is agreed that the industrial companies who own the plants in this area are entitled to protection against any unreasonable level of taxation and are entitled to expect municipal services on a standard which is in line with the standard prevailing in the surrounding area. If they receive adequate guarantees in these regards, it appears that they can have little concern as to the location of municipal boundaries or as to the location of the municipal office which receives their municipal taxes. Indeed they will probably agree that, other considerations being equal, it is desirable that their municipal taxes should go to the same municipality which provided schools, roads, sewer, fire protection, police protection, etc., to their employees and



to the retail establishments and entertainment centres which serve their employees.

If on the other hand one or more of these companies seeks special tax concessions which will yield for them a level of taxation lower than that prevailing in the area, then that issue should be dealt with on its merits and in the light of the situation prevailing in that particular plant and in similar plants in other parts of the province. Merely because one or two plants need tax concessions can scarcely be a reason for giving concessions to all owners of property in that municipality. Neither would it be proper to grant partial exemption from municipal taxation by the creation or maintenance of municipal boundaries which are not otherwise justified.

#### Viewpoints of Residents of Surrounding Area

This matter should also be looked at from the point of view of residents of Alberta as a whole and particularly from the point of view of persons living in the adjoining municipalities of Jasper Place and Beverly and the sections of Morinville, Sturgeon and Stony Plain, which are close to the city. For that purpose attention should be directed not only to those who are now living in these areas but also to those who may be located there in the next few years. A commission such as yours must look at the present but must also try to foresee the possibilities and probabilities of the future. If the administrative setup for local government is examined and dealt with now it is extremely unlikely that it will be overhauled again for at least a generation. The problem before you, therefore, is to try to create an organization which will be satisfactory for the 225,000 people now living in the area but which is adaptable so that it could serve the area if the population should be doubled before another overhaul is made.

This is not to advocate a local government system designed for a city much bigger than the present population but it is fundamental that if



two schemes are about equally attractive under present conditions, then you should choose the one which is most likely to prove flexible and adaptable if the city grows rapidly. It is clear that if substantial growth occurs in the future, or even if the present rate of growth continues for only a few years, the result will be to use up all residential areas within the present city limits and to force the location of residential subdivisions in the adjoining municipal districts.

In this context, it is clear that the body which is responsible for streets, sewers, etc., in the downtown area should also control the factors influencing the direction and nature of the growth of the urban area. For example, they should be able to discourage growth on the extreme limits of sewer lines if space is available which can be serviced much more cheaply in another part of the area. As another example, it is desirable that the body responsible for the downtown area should be able to discourage the building of houses in outlying areas in such a manner that when a certain degree of concentration has been reached that area will demand full urban services even though the cost of installing them at that time will be much higher than the cost would have been if the services had been built-in at the outset or if the new area had been differently located or if the layout of the streets and lanes had been designed to facilitate municipal services. This does not mean that suburban areas should be forced to conform to a rigid plan designed from the point of view of the central area. On the contrary, it is highly undesirable that such a state of affairs should exist. But it is most important that over-all co-ordination should be possible and that the necessary powers should be available to be used in extreme cases.

Because, therefore, of the possible growth in the adjacent areas it is desirable that the council of the metropolitan municipality should have responsibility and authority extending somewhat beyond the limits of



the present built-up area. But it is not appropriate to attempt to lay down now the precise rules as to what steps should be taken in this regard. Rather the proposal is that the elected body responsible for the whole area should have authority in these fields and should exercise that authority from year to year in the light of changing circumstances and attitudes. It is essential, however, that its policies and actions should have the widest possible flexibility and that it should be required to adopt and vary its decisions from year to year as circumstances change and the residential and business areas expand.

#### Viewpoint of Residents of the Area as a Whole

An attempt has been made to look at this situation from the view point of the people residing in the different sections of the area. In the final analysis, however, the decision must depend upon the needs and wishes and probable well-being of the whole area. From this point of view, two requirements are paramount:

- (a) the requirement that a local government structure be created which will allow room for this area to grow as an integrated community containing within its boundaries growing areas of residential, commercial and industrial property; and
- (b) the requirement that so far as possible there should be equality of municipal voting rights, of municipal services and of municipal taxes within the area.

These two considerations outweigh all others although they could not be satisfactorily put into effect if it should be found that they would create an unreasonable increase in costs to the residents of the area. It must be recognized, however, that as a city grows in size, the cost of municipal services tends to rise not only in proportion but at a faster rate. This occurs whether the growth comes within a single municipal unit or in a city surrounded by suburban municipalities. The problem is to devise a local



government set-up which will keep these cost increases to a minimum while at the same time providing for the growth which is occurring.

Within the broad framework of the principles laid down above it would be possible to consider that the area to be covered by proposed metropolitan council might be very wide or might be very narrow. The particular limits selected would depend upon the attitude adopted toward each of the above considerations. The City of Edmonton does not at this time support or oppose any particular boundary proposal. It merely takes the position that the boundaries should be redrawn and that the job should be one which looks forward for many years. Any doubts should be resolved in the direction of taking a wide area rather than in the direction of over-caution which might lead to a repetition of the present difficulties in only a few years. If the area is extended very widely, it may be necessary to provide some special rules of assessment for property located outside the limits of sewer and water facilities.

### Conclusion

In conclusion, it may be worthwhile to restate briefly the main points covered in this submission:

1. the city favours the creation of new Municipal Council, a new Public School Board and a new Separate School Board each to have authority over the whole of the metropolitan area and to replace all existing elected local government bodies in the area.
2. the city favours fairly wide limits for the boundaries of this area which would include all of Jasper Place, all of Beverly and sufficient area within the four surrounding municipal districts so that the limits would fall well beyond the industrial plants on the eastern outskirts and well beyond the present built-up areas in each direction.
3. the city feels that any restricted or piece-meal approach would not provide adequate scope for future growth on a balanced basis and would be



certain to lead to a repetition of the present difficulties in a relatively short time.

4. the city would be forced to oppose any proposal to amalgamate Edmonton, Jasper Place and Beverly without the adjacent industrial area because such a proposal would involve a heavy burden of additional municipal taxes upon residents of the city and would not provide for future growth.
5. the city requests that it be given the right to present a further brief at a later date in elaboration of its proposals or in reply to proposals made by others.

Finally, it seems desirable in the interest of completeness to include a copy of the resolution which was unanimously approved by the Council of The City of Edmonton at a meeting on September 27, 1954. That resolution reads:

"WHEREAS the Government of Alberta has appointed a Royal Commission to consider the boundaries and organization of local government bodies in the Edmonton area and to recommend any changes it considers advisable;

AND WHEREAS the population of the Edmonton area has increased from approximately 95,000 persons to approximately 225,000 persons in the last 15 years, and this rate of growth is continuing;

AND WHEREAS the industrial growth of the area has made it a major industrial centre based upon the processing and handling of agricultural products and of petroleum and chemical and refinery products;

AND WHEREAS the people resident in the area and the industries located in the area are all served by the same urban and transportation facilities and look upon themselves as part of one large community;

AND WHEREAS the people concerned desire to be assured that the area can continue to grow and develop, and that facilities will be provided for growth in population and in commerce and in industry.

NOW THEREFORE BE IT RESOLVED that this Council declares its support for a reorganization of local government in this area in conformity with



the following principles:

1. All persons in the area served by the common urban facilities should have an equal voice in the government of the whole area, should be entitled to the same standard of local government services and should be subject to the same level of local taxation.
2. The boundaries created for this purpose should be sufficiently wide to allow a balanced growth of residential, commercial and industrial areas within the new municipal boundaries, and to provide, therefrom, adequate municipal financial resources for that purpose,

and directs the City Commissioners to arrange for presentations to the Royal Commission advocating a reorganization in accordance with these principles provided that no undue burden of taxation will fall upon those residing within the present city boundaries."

Submitted on behalf of  
The City of Edmonton

ROBERT E. MOFFAT M.A. LL.B  
ECONOMIC and FINANCIAL CONSULTANT

October 12, 1954



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